

SENATE

TUESDAY, JUNE 21, 1932

(Legislative day of Wednesday, June 15, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Johnson	Pittman
Austin	Copeland	Jones	Reed
Bailey	Costigan	Kean	Robinson, Ark.
Bankhead	Couzens	Kendrick	Robinson, Ind.
Barbour	Davis	King	Sheppard
Bingham	Dickinson	La Follette	Shipstead
Black	Fess	Lewis	Shortridge
Blaine	Fletcher	Logan	Smoot
Borah	Frazier	McGill	Steiwer
Bratton	George	McKellar	Stephens
Brookhart	Goldsbrough	McNary	Thomas, Okla.
Broussard	Gore	Metcalf	Townsend
Bulkeley	Hale	Morrison	Trammell
Bulow	Harrison	Moses	Tydings
Byrnes	Hastings	Neely	Vandenberg
Capper	Hawes	Norbeck	Wagner
Caraway	Hayden	Norris	Walsh, Mass.
Carey	Hebert	Nye	Walsh, Mont.
Cohen	Howell	Oddie	Watson
Connally	Hull	Patterson	Wheeler

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Saturday, June 18, and Monday, June 20, 1932.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate telegrams, in the nature of memorials, from the executive committee of Post No. 35, W. E. S. L., New York City, N. Y., and the Unemployed Council, Del Ray Branch, of Detroit, Mich., remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

Mr. JONES presented a telegram in the nature of a petition from the Peninsular Savings and Loan Association, of Bremerton, Wash., praying for the passage of the home loan bank bill in its present form, which was ordered to lie on the table.

He also presented a telegram in the nature of a petition from the M. R. Smith Lumber & Shingle Co., of Seattle, Wash., praying for the passage of the home loan bank bill in its original form, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Seattle and vicinity, in the State of Washington, praying for the passage of the bill (H. R. 337) to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved March 16, 1906, subjecting motor boats to the provision of laws governing steamboat inspection; to the Committee on Commerce.

RELIEF OF UNEMPLOYMENT

Mr. McNARY. Mr. President, I send to the desk a copy of a telegram from Julius L. Meier, Governor of the State of Oregon, relating to the unemployment situation, and ask that it may be printed in the RECORD and lie on the table.

There being no objection, the telegram was ordered to be printed in the RECORD and to lie on the table, as follows:

PORTLAND, OREG., June 21, 1932.

Hon. CHARLES L. McNARY,

United States Senate, Washington, D. C.:

At unemployment conference to-day attended by representatives from all parts of State and by county judges resolution was unanimously adopted strongly urging passage of resolution providing employment relief from Federal sources. Local resources have been depleted, and Federal aid is essential if we are to avert hunger and suffering. Sense of meeting was that road work affords best means

of providing employment for untrained labor. Trust you will confer with President Hoover regarding this and urge his support for appropriation funds for road work.

Kindest regards.

JULIUS L. MEIER, Governor of Oregon.

REPORTS OF COMMITTEES

Mr. FESS, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 408) providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress, reported it without amendment.

He also (for Mr. KEYES), from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 12360) to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937, reported it without amendment and submitted a report (No. 847) thereon.

Mr. ODDIE, from the Committee on Appropriations, to which was referred the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 850) thereon.

Mr. SMOOT, from the Committee on Finance, to which was referred the resolution (S. Res. 238) directing the Tariff Commission to investigate production costs of pins, reported it without amendment and submitted a report (No. 848) thereon.

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 4747) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, reported it without amendment and submitted a report (No. 858) thereon.

Mr. KEAN, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4381. An act authorizing the President to transfer and appoint Lieut. Morris Smellow, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy (Rept. No. 849); and

H. R. 1804. An act for the relief of Frank Woodey (Rept. No. 857).

Mr. WALSH of Massachusetts, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1700. An act for the relief of Walter S. West (Rept. No. 851);

H. R. 6444. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts, the silver service presented to the United States for the U. S. S. *Montgomery* (Rept. No. 863);

H. R. 6599. An act to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy (Rept. No. 864);

H. R. 6735. An act to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy (Rept. No. 852);

H. R. 6860. An act for the relief of Florence Northcott Hannas (Rept. No. 865); and

H. R. 7939. An act to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando (Rept. No. 853).

Mr. DAVIS, from the Committee on Naval Affairs, to which was referred the bill (H. R. 3644) for the relief of Lewis A. McDermott, deceased, reported it without amendment and submitted a report (No. 854) thereon.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 2695) for the relief of David Albert Robeson, reported it without amendment and submitted a report (No. 855) thereon.

Mr. COHEN, from the Committee on Naval Affairs, to which was referred the bill (H. R. 3624) for the relief of Minnie Hopkins, reported it without amendment and submitted a report (No. 856) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5595) for the relief of Harry Manning Lee, reported it without amendment and submitted a report (No. 859) thereon.

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (S. 1308) to amend the Code of Law for the District of Columbia, approved March 3, 1901, as amended, by adding a new chapter relating to guardians for incompetent veterans, and for other purposes, reported it with an amendment and submitted a report (No. 860) thereon.

He also, from the same committee, to which was referred the bill (S. 4661) to repeal an act entitled "An act to legalize the incorporation of national trade-unions," approved June 29, 1886, reported it with amendments and submitted a report (No. 861) thereon.

Mr. WALSH of Montana, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 9369) to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a permit to Phillips County Post, No. 57, of the American Legion, Department of Montana, reported it without amendment and submitted a report (No. 862) thereon.

Mr. HEBERT, from the Committee on the Judiciary, submitted a report (No. 866) to accompany the bill (H. R. 10587) to provide for alternate jurors in certain criminal cases, reported by him on the 20th instant without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BROOKHART:

A bill (S. 4914) granting a pension to Amanda Mahurin; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4915) for the relief of Lyman I. Collins (with accompanying papers); to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4916) to authorize the presentation of a distinguished-service cross to Rufus Boylan; to the Committee on Military Affairs.

By Mr. REED:

A bill (S. 4917) for the relief of Charles Taylor; to the Committee on Military Affairs.

By Mr. GORE (by request):

A bill (S. 4918) to amend section 500 of the World War veterans' act, 1924, as amended; to the Committee on Finance.

By Mr. HEBERT:

A bill (S. 4919) to vest in the Register of Copyrights the registration of prints and labels; to the Committee on Patents.

By Mr. CAPPER:

A bill (S. 4920) to authorize the closing of a portion of Virginia Ave. SE., in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL

Mr. NORBECK submitted an amendment intended to be proposed by him to House bill 12443, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 19, after line 8, insert a new paragraph, as follows:

"Indian school buildings: For replacement and repair of buildings and equipment destroyed or damaged by cyclone at the Oglala Boarding School, Pine Ridge Reservation, S. Dak., fiscal years 1932 and 1933, \$72,000."

PUBLIC-WORKS PROGRAM—AMENDMENT RELATIVE TO THE SO-CALLED SOLDIERS' BONUS

Mr. TRAMMELL submitted an amendment intended to be proposed by him to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, which was ordered to lie on the table and to be printed.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. BINGHAM. Mr. President, I have been informed that it is deemed necessary that the junior Senator from Virginia [Mr. GLASS] shall be excused from service as a conferee on the part of the Senate upon the District of Columbia appropriation bill. I ask unanimous consent that he may be excused and that the Chair appoint a conferee in his place.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection? The Chair hears none, and the junior Senator from Virginia is excused. The Chair appoints the Senator from New York [Mr. COPELAND] as a conferee on the bill.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, the Senate has before it most comprehensive discussions of the Philippine question in all its phases, in the form of voluminous reports from both the House and the Senate committees on this subject, in addition to the hearings.

In the RECORD of June 13, 1932, all these reports, an analysis of the bill, and a discussion are to be found.

However, without occupying too much of the time of the Senate, I shall attempt to add to this accumulated information. I ask unanimous consent that the following discussion by me may be ordered to lie on the table and to be printed in the body of the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HAWES. Mr. President, the grant of independence to the Filipinos is a duty imposed on us by our voluntary promises to them, and through them to the whole world. At the outset of our occupation of the Philippines we could have proclaimed our purpose to retain them for our own use and benefit, just as we have held Puerto Rico, another of the colonies we took from Spain. The statement of such an intention might have prompted some doubts of its consistency with American ideals or some question of its wisdom as a policy, but it could not have raised a moral issue. But we declared and reiterated that we did not design to hold the islands and their people. On the contrary we bound ourselves by pledges of the most unequivocal character to prepare the Filipino people for self-government and ultimate independence. Hardly any other American policy or obligation undertaken by the United States is as definite and unmistakable in its intent and as binding on the national conscience as our policy with respect to the Philippines. There is some uncertainty, for example, regarding the extent to which the Monroe Doctrine commits or permits us to concern ourselves with the internal affairs of Latin American governments. There is a good deal of haziness about our rights and duties under certain of our international treaties, especially those affecting China, but there is no room for honest misunderstanding of our obligation as to the Philippines. Presidents and the Congress of the United States have assumed that obligation in the name, by the authority and with the approval of the American people. Its existence has been recognized by every President from McKinley to Hoover.

After our defeat of Spain we had complete freedom to decide whether we should acquire the Philippines and to determine how we should use them. The world was accustomed to the transfer of peoples from one sovereignty to another, without reference to their wishes or welfare. We should have owed no apologies to others no matter what excuses we should have been obliged to make to ourselves if we had announced that we claimed the Philippines as part of the spoils of war and purposed to keep and exploit them for our own material advantage and wholly according to our own plans. But we adopted no such course. We declared instead that we were bringing the Filipino people under the American flag not for our benefit but for theirs; that we wished them to be free; and that we would make them fit for freedom.

In the light of history, then, we have seen by what attitudes, utterances, and actions of ours, when first we entered the Philippines, the people of the islands were impelled to the conviction that we intended not merely to liberate them from Spain but establish them—as we constituted Cuba—as an independent nation. We have read also in that same light how firmly and fervently (but fatuously and futilely, as some would persuade us to think) the Filipinos have clung to the belief that we will keep the faith they hold we plighted to them thirty-odd years ago and pledged anew many times since then.

It is necessary to a correct understanding of the Filipino's claims on us and it is vital to a right conception of our obligation to him to review the words and deeds by which we have at the least appeared to promise him the boon he craves most of all— independence. Whether it was advisable, from our point of view, to confirm and encourage the Filipino's aspirations is now beside the point. Whether our promise looked to the true welfare of the Philippines may still be a debatable question. But there is not a vestige of doubt that our assurances were received in good faith by the Filipino, and they can not now be withdrawn or revised without compromising and doing detriment to him.

Turn now to the long concatenation of statements by Presidents, members of presidential Cabinets, representatives of the United States in the Philippines, spokesmen for business, agriculture, and labor—protagonists and antagonists of Filipino nationhood:

President McKinley, at the very outset of the American occupation, said to the American people: "The Philippines are ours not to exploit, but to develop, to civilize, to educate, to train in the science of self-government." And he expressed the hope that the American commissioners would be received as bearers of "the richest blessings of a liberating rather than a conquering nation."

Jacob Gould Schurman, president of the first Philippine Commission, was undoubtedly speaking the mind of President McKinley as well as his own when he said: "The destiny of the Philippine Islands is not to be a State or a Territory in the United States of America, but a daughter republic of ours—a new birth of liberty on the other side of the Pacific, which shall animate and energize those lovely islands of the tropical seas, and rearing its head aloft, stand as a monument of progress and a beacon of hope to all the oppressed and benighted millions of the Asiatic Continent."

I have been unable to find any direct statement by William H. Taft when he was President, but he spoke pretty decisively on the subject when he was Secretary of War. In a report to President Roosevelt in 1908, Mr. Taft declared:

"Shortly stated, the national policy is to govern the Philippine Islands for the benefit and welfare and uplifting of the people of the islands and gradually to extend to them, as they shall show themselves fit to exercise it, a greater and greater measure of popular self-government. . . . What should be emphasized in the statement of our national policy is that we wish to prepare the Filipinos for popular self-government. This is plain from Mr. McKinley's letter of instructions and all of his utterances. . . . Another logical deduction from the main proposition is that when the Filipino people as a whole show themselves reasonably fit to conduct a popular self-government, maintaining law and order and offering equal protection of the laws and civil rights to rich and poor, and desire complete independence of the United States, they shall be given it."

The foregoing was but a reiteration with strong emphasis of what Mr. Taft had said three years earlier:

"What shall be done in the future . . . is a question which will doubtless have to be settled by another generation than the present, both of the American and of the Philippine people, to whose wisdom and generosity we may safely trust the solution of the problem. Should the Philippine people when fit for self-government demand independence, I should be strongly in favor of giving it to them, and I have no doubt that the American people of the next generation would be of the same opinion."

In 1908, President Roosevelt indicated, in a message to Congress, that the independence of the Philippines was a question to be determined by their inhabitants. "I trust that within a generation," he said, "the time will arrive when the Filipinos can decide for themselves whether it is well for them to become independent."

The generation of which President Roosevelt spoke at that time has passed.

On another occasion—and eight years later—Mr. Roosevelt counseled prompt action in respect to independence:

"The only good that has come to us as a nation has been the good that springs from knowledge that a great deed has been worthily performed. Personally I think it is a fine and high thing for a nation to have done such a deed with such a purpose. But we can not taint it with bad faith. If we act so that the natives understand us to have made a definite promise, then we should live up to that promise. The Philippines, from a military standpoint, are a source of weakness to us. The present administration has promised explicitly to let them go, and by its actions has rendered it difficult to hold them against any serious foreign foe. These being the circumstances, the islands should at an early moment be given their independence without any guaranty whatever by us and without our retaining any foothold in them."

Fifteen years after we came into possession of the Philippines, President Wilson took an advanced position in the matter of independence. In his message to the Filipino people, delivered by Governor General Harrison in 1913, he said:

"We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence."

Later in the same year he sent a message to Congress, and in it he spoke thus of the Filipinos: "By their counsel and experience, rather than by our own, we shall learn how best to serve them and how soon it will be possible and wise to withdraw our supervision." Addressing Congress, in a message in 1920, the President used the following language: "Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress

in their behalf, and have thus fulfilled the condition set by the Congress as the precedent to a consideration of granting independence to the islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of these islands by granting them the independence which they so honorably covet."

President Harding, in his reply to the Philippine independence mission of 1922, said:

"I can only commend the Philippine aspirations to independence and complete self-sovereignty. None in America would wish you to be without national aspirations. You would be unfitted for the solemn duties of self-government without them."

On February 21, 1924, President Coolidge wrote to Manuel Roxas, speaker of the Philippine House of Representatives and head of the Philippine mission to the United States in that year, saying:

"It is not possible to believe that the American people would wish to continue their responsibility in regard to the sovereignty and administration of the islands. It is not conceivable that they would desire, merely because they possessed the power, to continue exercising any measure of authority over a people who could better govern themselves on a basis of complete independence. If the time comes when it is apparent that independence would be better for the people of the Philippines from the point of view of both their domestic concerns and their status in the world; and if when that time comes the Filipino people desire complete independence it is not possible to doubt that the American Government and people will gladly accord it."

Thus far President Hoover has not expressed his own opinion, but he has admitted that "independence of the Philippines at some time has been directly or indirectly promised by every President and by the Congress."

Whenever the Republican Party has spoken on the subject it has recorded its sympathy with self-government for the Philippines. The Democratic Party has several times committed itself to the cause of independence.

If at any time during the period of our responsibility for the Philippines the President or other official of the United States had advocated our permanent retention and government of the islands, we could now say with some measure of plausibility that our intentions had been proclaimed and that, therefore, American and Filipino promoters of independence were countering a definite and decisive American policy. But for more than a quarter of a century, almost a generation, there has been a general understanding—in one case taking the form of an act of Congress—that the Filipino people should some day be free and independent. The act of Congress which, by reason of the promise of independence it contains, imposes on us an ethical and moral, though perhaps a juridic, obligation, is the Jones law, passed by Congress in 1916. The promise is in the preamble, which I quote in full:

"Whereas it was never the intention of the people of the United States in the incipency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

"Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that by the use and exercise of popular franchise and governmental powers they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence."

Some opponents of independence hold—at least they assert—that because this statement of our purposes was not in the body of the bill it is not a binding promise. Though but few cling to this contention, I nevertheless think it deserves an answer. In the first place, there was no other valid way in which Congress might express its opinion. It could not have included in the body of the bill such a declaration as the preamble recites without first having fixed a definite date for the termination of American sovereignty in the islands. Those who take refuge in the technicality—the triviality with which I am now dealing—might as well urge that our Declaration of Independence or the Monroe doctrine was not binding because it was not put in the body of a bill. Not only the preamble but also the title of the Jones Act proclaims our policy in reference to the Philippines. And it is a rule of law that the title of a bill shall adequately describe its intent. Here is the title of the Jones law:

"An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands."

This phrase "future political status," especially when read in connection with the preamble and the provisions of the bill, is certainly clear enough—the words, "to proponents and objectors" well understood that the preamble was not only a definition of policy but also a promise made in the name of, by the authority and with the concurrence of, the American people. One thing else: There was a separate vote on the preamble, and it was adopted by a considerable margin. Republicans as well as Democrats supported it.

The Filipinos shared the general view that the Jones Act was a pledge given to them by the American people. The Philippine Legislature, speaking for the inhabitants of the islands, viewed the Jones law as a program looking to independence and so acknowledged and accepted it.

The Filipino understanding of the American promise was given to the Senate committee by Manuel Roxas. I quote from his testimony:

"Granted the necessity of a final and definite declaration regarding the future status of the Philippine Islands, it is important to determine what that status should be. This question was formally and authoritatively defined by the Congress in the preamble of the Jones Act. That document states that 'it is, as it has always been, the purpose of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein.' This declared policy is in accord with authoritative pronouncements of American Presidents and other officials who could assume the right to speak on behalf of the American people. It is thus to be seen that independence is and has always been the goal and objective of America's Philippine policy. The Jones Act merely gave legal and constitutional sanction to that policy. * * * Its grant would be as much a fulfillment of that policy as the satisfaction of Filipino aspirations. It would be the happy outcome of the joint labors of two peoples undertaken with generosity on the one hand and with abiding confidence and faith on the other."

I have cited but a few of the official statements and the testimonies of recent observers and writers. There is little need to multiply such documentations. There is an impressive consensus in behalf of independence. Most significant has been the absence of open advocacy of the permanent retention of the Philippines. Not one witness appearing before the Senate committee proposed such a plan. Postponement of independence—that was the nearest to an outright repudiation of our pledges any witness ventured.

Every class and condition of Filipinos desires independence. Abundant attestation of that fact I found on my visit to the islands. Chambers of commerce, labor leaders, agricultural leaders, educators, bankers, the press, the legislature—all have petitioned for independence. There is no division among the people. Not one Filipino that I met or talked with or questioned opposed independence. The leaders of the Roman Catholic Church, the Protestant Church, the Aglipayan Church, the Moros, and the pagans, divergent as their religious tenets are, nevertheless are alike in their conviction that independence is the due and the destiny of the Filipino nation. These and other groups may differ as to the time for it—whether it should come at once or in the near future—but there can be no doubt that they all want it and will accept it on any terms that we may specify.

This brings me to the consideration of a point I wish to discuss. Some Americans who have discussed with Filipinos this question of opportuneness have learned that the latter in not a few instances deprecate the words "immediate, absolute, and complete independence." It is true that some Filipinos regard these words as involving serious difficulties, such, for example, as the internal economic dislocation that would ensue from sudden application of the American tariff to products of the Philippines. From this reservation in the minds of certain Filipinos these Americans derive the impression that the natives are insincere in their talk of independence. The frank admissions by Filipinos that independence for the Philippines means sacrifice as well as advantage have stirred doubts and suspicions in the minds of many of our people.

Those American manufacturers and merchants who are exerting influence to defeat Filipino independence are inviting detriment to themselves. If, as now seems certain, the desire for an independent nation in the Philippines becomes more fervent and widespread, the islanders may turn elsewhere for their needs. They could hardly be blamed for refusing to permit their own money to be a weapon against independence. It may as well be recognized also that we can not offer the Filipinos material prosperity as a substitute for independence. I have come to believe they would rather be poor and free than rich and dependent.

We Americans have always exalted freedom and self-government above material welfare and luxury. We have put the same ideal before the Filipinos. Their intellectuals, especially the graduates of American universities, are aware that we have always and everywhere honored and encouraged the aspiration of liberty and democracy. We have welcomed every new member of the family of independent nations. More than once the American people have raised funds for the cause of independence in other parts of the world. Within 35 years after this Government was established we lent assistance to the struggle for independence in South America and guaranteed the liberty won there. In the last generation we have given our sympathy to the efforts of the Greeks to erect a republic, to the Boers in South Africa, to the Young Turks. Eighty years ago we cheered the struggles of Kossuth to make Hungary free. Our aid to Ireland continued for a century or more. All these historic facts, I repeat, are known to the leaders of the Filipino people.

Sometimes there is a contrast between our preachments about liberty and our practices in the Philippines. This is only one of the incongruities for which our excursion into imperialism has been responsible. The Filipino sees these discrepancies and wonders.

Mr. President, discussed for more than 30 years in Congress and in the popular forum, the Philippine problem, which our victory over Spain thrust into our political life, seems now about to have a permanent and satisfactory solution. That solution is to be the fulfillment of the promise of independence the United States made to the Filipinos at the outset of the American control of the islands. Such consummation of our long and painstaking tutelage of this oriental people will vindicate the principles and

ideals of America and assure the establishment of the first Christian republic in the Far East.

The present Congress, notwithstanding a vigorous propaganda against the proposal, is preponderantly in favor of granting independence. One bill looking to the bestowal of nationhood on the Philippines has passed the House of Representatives by a vote of 306 to 47. Eighty-one per cent of the Representatives were recorded in this vote, and 70 per cent of them supported the bill. A correspondingly large support, I am confident, will be given to the bill in the Senate, if it can be put on its passage. With so impressive an approval of independence by Congress—Republican in one branch and Democratic in the other—we may feel certain that President Hoover will give his concurrence also.

Powerful influences have been won to the cause of independence. Dr. Jacob Gould Schurman, president of the first Philippine commission appointed by Mr. McKinley, is one of these. Prior to his selection for that post he was president of Cornell University and afterwards served as American ambassador to Germany. His plea for Philippine independence was reiterated only three months ago—after the Hawes-Cutting bill had been reported to the Senate—in the course of a lecture at the University of Southern California.

"If the Filipinos themselves are willing to fill the higher governmental offices and to assume the problem of self-defense, we must recognize that it is their problem and leave the islands, whether we think we can run them better than they or not," Doctor Schurman said. "We have formally agreed to this by act of Congress," he continued, referring in this statement to the Jones law of 1916, by which the United States is pledged to confer complete self-rule on the Filipinos just as soon as they demonstrated their ability to establish "a stable government." "Our own Government is based on the consent of the governed, and the Filipinos appeal to us on the same ground to grant them independence," Doctor Schurman told his hearers.

In the roster of champions of independence are also W. Morgan Shuster (now president of the Century Co.), a member of the first Philippine commission—that headed by Doctor Schurman; Judge F. C. Fisher and Judge Adam C. Carson, former associate justices of the Philippine Supreme Court; Judge Richard Campbell, of New York; Frank L. Crone, former commissioner of education of the islands; and most of the Members of the present Congress, including, in particular, those Senators and Representatives who served on the committees which investigated the subject and drafted the pending bills.

There is, of course, a very vigorous opposition to the withdrawal of American sovereignty over the Philippines. Most of those who oppose independence are as sincere and patriotic as those who espouse it. Indeed, a strong—and, in my judgment, wrong—sense of patriotism is precisely what explains the opposition of not a few. These are so dead against "lowering the American flag" that to prevent that consequence they seem almost willing to lower the moral standards which the Stars and Stripes have always heretofore symbolized.

The promises of the United States are of supreme import. It is the ethical factor of the problem. They are a sacred obligation, unless we have come to believe that America's word of honor may be given and withdrawn as material advantage or political exigencies dictate. The final disposition of the Philippines must ultimately be determined in keeping with that pledge of ours, provided that the Filipino people shall not meanwhile, by some sort of collective pronouncement, absolve us from its redemption. The fact is, of course, that they confidently expect us to fulfill our promise—and so do all the other peoples of the Far East. They crave the opportunity to live their own national life. Few people in the world have had so long and so thorough a preparation for independent existence as they have had. The Spanish colonies of North and South America became republics with hardly any previous experience or autonomy. Even some of the new nations of Europe—Czechoslovakia, Latvia, Estonia, etc.—had little or no apprenticeship in self-government before the World War. The people of these new European states were one day the subjects of monarchies—and at least two of them the victims of autocracies—and the next day sovereigns among sovereigns. The Filipinos have been under American fostering—in the school of the greatest of all democracies—for a generation, and that after they had won the last of a series of struggles for liberation from Spanish rule. If independence comes to the Philippines no earlier than the approximate date fixed in the Hare bill, they will have been 43 years in training for it.

Japan could have taken the Philippines at any time in the half century before the United States acquired them. Her defeat of China in 1894 raised her at once to a position of dominance in the Far East and to a place among the great military and naval powers of the world. Spain could not possibly have resisted so mighty an adversary. History and current events make manifest that Japan's expansion has been steadily and of purpose to the mainland of Asia. Her conquests from Russia, her seizure of Korea, her present occupation of Manchuria—all these tell of her preference for a new empire on the Asiatic continent. She has undertaken only one annexation in the direction of the Tropics. That was her acquisition of Formosa as one of the spoils of her war with China. She has attempted to colonize the island with her own subjects, but after 37 years of governmental efforts to that end only about half a million Japanese have settled there. They do not flourish in a warm climate. For that reason they prefer Manchuria to the Philippines. They have been free to domicile themselves in the Philippines, but not more than 8,000 of them are to be found in

the whole Archipelago. They were once more numerous there than they are now.

On two grounds, then, the "Japanese menace" to continuance of Philippine independence can not validly be urged as justification for America's withdrawal of her pledge she has given the Filipino people. First, there is no sound basis—past, present, or prospective—for the assertion that Japan covets the Philippines. The historic facts and the happenings of the moment coincide to negative any such conclusion. Secondly, the plea that because Japan may at some time, in some contingency, violate international comity by an attack on the islands, the United States should commit a breach of faith, here and now, is not very complimentary to the logic of those who utter it nor to the American people, to whom it is addressed. Such a course as these propagandists counsel would be no less impolitic than immoral. It would do immense detriment both to American prestige and American commerce in the Far East. It would cost America the high regard she has won in the Orient by her chivalrous conduct toward the oriental peoples—especially the Chinese and her own wards, the Filipinos. It is, indeed, a doctrine of such crass materialism and Machiavellianism that the American people can confidently be expected to reject and rebuke it as an affront to common sense and common decency alike.

"The bloody rebellion," it is said, will arise from the differences between the Christian majority and the Mohammedan minority. The prophets of this religious conflict always picture the Mohammedans as "proud Moros," compliment their prowess, and vision the war as involving the entire Philippine Archipelago and other regions of the Far East. Indeed, when one reads any of a dozen opponents of Philippine independence one is in doubt as to which of two calamities it will bring first—conquest of the islands by Japan or their depopulation by internecine conflict.

The non-Christian peoples of the Philippines number 800,000 of the total of 13,000,000 inhabitants; that is, 1 in 16. It is not credible that this minority, "proud" and sanguinary though it be, would be able—if willing—to make successful war on an overwhelming majority in control of the military and police of the islands. But the guaranty against a "bloody rebellion" in the Philippines is not supplied altogether by the preponderance of the Christians. It is afforded also by the good sense of the non-Christian people. They don't deserve the evil reputation their champions in the United States invent for them. They have no thought of warfare against their fellows of the Christian faith.

Large numbers of them, including their most important and influential representatives, are as eager for independence as the Christian Filipinos are. They have sent memorials to the United States petitioning for Philippine nationhood. They have acquiesced in the government of the islands by the Christian majority and have lived peaceably and prosperously under Christian governors of their Provinces. There has not been the least friction between the non-Christians and the Christians in recent years. Both realize that they must live together in concord. They regard each other with respect and do not allow their differences of religion to prevent their cooperation in civic enterprises.

If there were any tendency on the part of the great religious groups in the Philippines to engage in strife over creeds, those who are constantly exploiting such possibility would be incurring a grave responsibility. As it is, the worst result of the present exploitation—and it is bad enough—is its encouragement of a misconception on the part of many Americans respecting conditions in the Philippines.

Let us next consider the prophecy of economic disaster. It is quite gratuitous to say that the material progress of the Philippines would be halted by independence. The islands are rich in many things which the world requires. Their natural resources have in some significant instances been neglected because of the artificial character of the insular economic relations with the United States. The Filipinos have been practically stopped from trading with other nations than the United States. On our side we have had a virtual monopoly of the Philippine market. If reciprocity has helped certain Philippine industries—and it has—it has also hindered the development of new and different industrial undertakings in the islands.

Once the products of the Philippines are subjected to American tariffs, as those of other foreign countries are, the Filipino people will necessarily take stock of their wares and canvass their possible customers. They will adjust their production to the demands and opportunities offered in the various markets of the world. That is what much more backward and less resourceful and industrious peoples than the Filipinos have done and are doing.

It is easy to be dogmatic about the future. It is impossible to disprove mere potentialities. One can only forecast events of to-morrow by the light of to-day and yesterday. With that light to guide, however, one can see the Filipinos continuing the progress to which 34 years' experience in the management of their national household has given a powerful impetus. Thirty per cent of the Philippine budget is expended on the public schools of the islands. The Filipinos have shown not merely aptitude, but ambition to achieve success in government. Their social and intellectual standards are higher by a good deal than those of their Asiatic neighbors. Their cooperation with the United States for their cultural and material advancement is a mark of their fitness for self-rule and an earnest of their further development.

Shall a free Philippines become "a disturbing factor in the Far East," as the lugubrious soothsayers declare? Suppose we examine the facts. If Japan is even half as reckless and ruthless

as represented for the purpose of making her an obstacle to Filipino nationhood, then an independent Philippines can hardly be more of "a disturbing factor in the Far East" than a dependent Philippines is. The United States is at present obliged to protect the islands, and that in the face of a treaty which forbids any fortifications on them. Japan is greedy, unscrupulous, aggressive, and very powerful, the foes of independence tell us in a tragic whisper, and then they support their statement by reminding us how, in despite of American warnings, in the teeth of the League of Nations, and in defiance of public opinion throughout the world, she planned and executed her recent invasion of Manchuria and China proper. If that be Japan's true character and her real disposition; if she neither fears nor respects the collective nations of the earth, she will surely not dread or regard the United States and—in the hypothesis presented—she will take the Philippines whenever their seizure bespeaks military or political or commercial advantage to her. In that eventuality, the United States will be bound to defend and retain the islands, even at the cost of a terrible war.

The Philippines have many products which we need and which we can not obtain in other countries or can not purchase elsewhere under more favorable conditions. On the other hand, Filipinos can buy in the United States much if not all the commodities they are buying now. American farmers and wage-workers are as conscious of their rights and interests and as eager and able to protect these as the opponents of Philippine independence are. Accordingly, these two groups—6,500,000 members of agricultural associations, and 5,000,000 members of labor organizations—not merely desire, they demand, the speedy enactment of legislation for an independent Philippines.

There are offsets to the economic losses and disadvantages which are prophesied as consequences of the disposal of the Philippines. According to one authority, the maintenance of the American Army and the Philippine Scouts in the islands cost taxpayers in this country—not those of the Philippines—a grand total of \$685,613,504 for the period from May 1, 1898, to June 30, 1931. In the same 33 years, the expense of the Navy serving in the islands was \$76,634,919, an average of \$2,312,791 a year. In these days of stress in governmental finances the saving of this average annual charge of \$22,000,000 for the Army and the Navy would be worth making. If we should have to enlarge our military and naval forces in the Philippines, the expense would, of course, increase proportionately. In addition to the cost of the Army in the islands there were also expenditures totaling about \$17,000,000 for other insular purposes during the 33 years ending June 30, 1931. By the time the islands become independent under the terms of either of the pending bills, their cost to the United States will have risen to a billion dollars.

American economists, moreover, point to other offsets. They remind us that while only 9,178,380 of the aggregate of 73,216,124 acres of land in the islands are under cultivation, Philippine products are nevertheless in hurtful competition with the products of American farms, dairies, plantations, etc. Indeed, the various agricultural associations of the United States, as I have said, are urging Philippine independence not only for its own sake, but as a means of protecting the domestic market from Filipino competitors. If such be the situation with only 12 per cent of the Philippine land in production, what will happen when 30, 40, or 50 per cent is yielding rice, hemp, corn, tobacco, and sugar—all at much lower costs than they can possibly be produced in the United States?

But even if it were demonstrable—as it isn't—that American-Philippine trade should diminish or wholly disappear, they still remain under the moral compulsion of keeping their word to the Filipinos. We are not yet so pragmatic as to proclaim and practice the doctrine that promises whose fulfillment involve economic losses need not be kept.

One of the conventional arguments against Philippine independence is that "selfish interests" are promoting the cause and using the Filipinos as pawns in the game. Now it may well be that certain American groups or institutions or individuals are seeking profit from the political severance of the Philippines from the United States. But Philippine independence as a good thing in itself should not be halted or prevented because, as an incident, it brings benefit to some of the people of the United States. If these groups are seeking a good end for a bad purpose, what shall be said of the "selfish interests" that are attempting to defeat a worthy cause for an evil motive? For some very powerful coteries are in the opposition and are employing all their great resources to induce the Government of the United States to break faith with the Filipino people. There has been a good deal of criticism of the brief consideration given the Hare bill when it was put on its passage in the House of Representatives on April 4. The critics designedly leave the impression that the measure was passed by the House not only without understanding of its provisions, but contrary to their demands for a longer study of it. At frequent intervals ever since 1916 the Congress has had before it bills looking to the independence of the Philippines. On several of these bills there were exhaustive hearings. The testimony adduced at these hearings was printed and has been available to every Member of Congress. The Senate conducted an inquiry in 1930, and the information it gathered from friends and foes of Philippine nationhood is likewise open to Senators and Representatives. Besides all this, the Committee on Insular Affairs of the House last winter undertook its own inquiry and obtained the views of almost every important individual and organization concerned about the Philippines. These views also were published

and made accessible to the Members of the House. Finally, the committee's report, containing conclusions derived from the testimony, and a recommendation in behalf of independence, was sent to every one of the 435 Representatives.

The prompt passage of the Hare bill by an overwhelming majority of the Members of the House, Republicans as well as Democrats, was, therefore, not a mark of "precipitance" or "carelessness" or "recklessness," as some few writers and speakers on the subject have alleged. It was precisely a sign and token that the Representatives had familiarized themselves with the facts and issues involved and voted with full knowledge and understanding.

It is quite patent, I think I have indicated, that either from considerations of intelligent self-aggrandizement or in solicitude for the national honor, every American, whether he be in official post or in private life, must give his support to Philippine independence. Righteous and generous treatment of the Filipinos—an oriental people—is sure to win for the United States the esteem of all the other nations of the Orient. And no other investment is so productive as that made in behalf of good will. For commerce follows friendship. Moreover, it is always a wholesome and salutary policy to be honest and honorable. Our Government can not be unjust to the people of other nations without sacrificing somewhat of the respect, obedience, and loyalty of its own citizens.

JOBLESS LIBERTY PARTY

Mr. GORE. Mr. President, by request, I present a letter from Col. J. H. Stolper, general counsel and chairman of the national executive committee, the American Veterans of All Wars, Muskogee, Okla., addressed to Rev. James R. Cox, Pittsburgh, Pa., on the subject of a "Jobless Liberty Party," which I request may be published in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MUSKOGEE, OKLA., May 14, 1932.

Subject: Jobless liberty party.

Rev. JAMES R. COX,

Liberty Avenue and Seventeenth Street, Pittsburgh, Pa.

MY DEAR REVEREND SIR: I have your letter of May 9, 1932, informing me of your plan to form a jobless liberty party and hold a convention in St. Louis, Mo., to nominate candidates for President and Vice President; also to pass resolutions, which you inclose, to be handed by you to the President, Vice President, and Speaker of the House. Some of your collaborators also inform me that a march upon Washington to the President and Congress is contemplated upon a large scale, and you request me to cooperate with you.

When a step affecting a large portion of the American people is contemplated, the first thought must be can there result any good from such step; second, can it be productive of any harm?

I feel that the passing of any set of resolutions can do no possible good. Let us be fair and just. Are such resolutions necessary? They are not. What could they do? Inform the President, the Vice President, and the Speaker of existing conditions. Do these officials need informing at this time? They do not. Is it not effecting a useless effort? I not only believe that your proposed action can and will do no good but it may do great harm, and for this reason not only can I not, and I will not associate myself with such a move, but I implore you in the name of right and love for our country to abandon such a step if you can do so.

The President of the United States is more than anyone just now fully acquainted with the great suffering that exists; he is and has for some time been doing everything humanly possible to meet and overcome the critical conditions. Why, then, harass the President any more? There is a limit to punishment. The President of the United States has had to meet a situation not of his making. Why increase his burden with a move of the kind you contemplate? It is an easy matter to get together a large number of unemployed, but you can never tell when an orderly mass of suffering and irresponsible people may turn into an uncontrollable mob and do unforeseen great injury to itself and the Nation.

No, sir; so long as our President is doing his utmost he deserves our support, and he will have the support not only of myself and this organization but every particle of influence that I can bring to it. We need no black, no red, and no blue shirts in the United States. We are neither in Italy nor in Germany. The depression will terminate in due time, the jobless will be reemployed, and there is no place for a jobless party or jobless army of any kind in the United States. I would obey and recognize only one army, the Army of the United States. Let us not incite any of our people to disorder or to gang together. Let us help bring out law and order and prosperity. You can do more for the jobless by helping the jobless to get a job than by making them conscious of desperate conditions they find themselves in.

I believe if the church would help get heads of families suffering in the cities to go and settle on a 10-acre tract of land and work it, while such family would not get rich it would be secure in shelter and have ample food.

Nothing the President can do will be as effective as what the person would do for himself, and every organization would be glad to help. I believe even the large insurance companies and other capital will be willing to help, but merely to get together large crowds of people, increase their dissatisfaction with conditions unforeseen, and which everyone is trying to remedy, will result in suffering and in harm; why undertake it?

Congress is trying to do something; let us help them. I do not contend that a certificate of election makes of the average man an all-wise statesman when he comes to Congress. There are great and good men and little and small men in Congress. To descend upon them with large masses is to repeat the European revolutionary experience; what good can it do? It will not teach Congress anything; the great and good men in Congress need no teaching; the small fellow who is playing small, petty, selfish politics while in Congress does not want to learn, and you can teach him nothing; hence what is the use of the marching to Washington? Your last march in the winter has accomplished nothing but suffering.

I very earnestly advise against the contemplated assembling of the unemployed; let us, irrespective of party affiliations, give our President and the constituted authorities our support when it is to the benefit of the Nation by each of us using our personal remedies; we may do just the opposite of what we are trying to do. If you desire to petition the President and Congress, circulate petitions; will be glad to help you, and it can be presented by half a dozen people just as good as by thousands, but it will not do so much harm, for whatever is being contemplated may lead to riots and bloodshed. We want nothing of the kind. Let us be Americans first; let us work for peace, for justice, for right, and for general prosperity, but let us not incite nor excite class animosity nor hatred. Let us all work for the common good of our country. God bless her.

Very respectfully,

J. H. STOLPER,
Lieutenant Colonel,
United States Army Reserve, Retired,
General Counsel and Chairman
National Executive Committee,
American Veterans of All Wars.

MEMORIAL TO WILLIAM JENNINGS BRYAN

Mr. FESS. Mr. President, I ask unanimous consent to report favorably without amendment from the Committee on the Library the joint resolution (S. J. Res. 182) amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. WALSH of Montana. Mr. President, this is a matter pertaining to the location of a statue for William Jennings Bryan. An act was passed authorizing the selection of a place in the District of Columbia except in civic parks or on the Mall, and this is simply to strike out "civic parks," according to the recommendation of the chairman of the Commission of Fine Arts.

I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the joint resolution was read, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 3 of the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan be, and the same is hereby, amended by striking out the words "or Potomac Park" appearing in the second line of said section, so that section 3, when amended, shall read as follows:

"SEC. 3. The memorial herein provided for shall not be erected or placed in any part of the Mall, nor on any ground within one-half mile of the Capitol."

Mr. WALSH of Montana. I submit a letter from the secretary of the Commission of Fine Arts in explanation of the joint resolution just passed, and I ask that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Washington, June 21, 1932.

MY DEAR SENATOR WALSH: The Commission of Fine Arts at their meeting on May 27, 1932, inspected the model of the William Jennings Bryan Memorial authorized to be erected in the National Capital by act approved June 18, 1930, and were well pleased with it. It is a work of Mr. Gutzon Borglum, sculptor, to whom the commission made a few suggestions as to the model in matters of detail.

The William Jennings Bryan Memorial Association, through their representatives, suggested as a site for the statue a plot of ground about 150 feet north of Constitution Avenue near the Lincoln Memorial. The Commission of Fine Arts inspected this location on May 27 and were agreeable to the erection of the statue there, but it was noted in the act of June 18, 1930, that the statue was not to be erected in Potomac Park. The commission was officially advised by Lieut. Col. U. S. Grant, 3d, Director of Public Buildings and Public Parks, that the site selected by

the William Jennings Bryan Memorial Association is in Potomac Park.

Therefore, if Congress will amend the act of June 18, 1930, section 3, so as to strike out the words "or Potomac Park," as is contemplated in Senate Joint Resolution 182, introduced by you, it will be possible to erect the William Jennings Bryan statue at the site in Potomac Park selected by the association. The commission of Fine Arts would concur in this, since, as above stated, the site was favored by the commission at the meeting on May 27.

For the Commission of Fine Arts,
Very respectfully yours,

H. P. CAEMMERER, *Secretary.*

HON. THOMAS J. WALSH,
United States Senate, Washington, D. C.

INVESTIGATIONS BY COMMITTEE ON BANKING AND CURRENCY

Mr. TOWNSEND. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with an amendment, Senate Resolution 239, and I ask for its present consideration.

The PRESIDENT pro tempore. Without objection, the report will be received and read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 239), the amendment of the committee being in line 5, to strike out "\$50,000" and insert "\$25,000," so as to make the resolution read:

Resolved, That Senate Resolution 84, Seventy-second Congress, agreed to March 4, 1932, hereby is continued in full force and effect until the expiration of the Seventy-second Congress, and the limit of expenditures to be made under authority of such resolution is hereby increased by \$25,000.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none. The question is on agreeing to the amendment of the committee.

Mr. NORBECK. Mr. President, I want to call the attention of the Senate to the work which has been done and the condition in which the committee finds itself.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LA FOLLETTE. Was unanimous consent granted for the consideration of the resolution?

The PRESIDENT pro tempore. The Chair so understood, and the resolution is before the Senate.

Mr. NORBECK. Mr. President, the committee has been at work for a couple of months and the problem is big and complicated. We started to investigate Indian motor cycles and later got into matters that ran into hundreds of millions of dollars. We still feel that we have only touched the borders of it.

Mr. Whitney, president of the New York Stock Exchange, admitted that 25,000,000 people lost money in the market crash, and that shrinkage in values amounted to \$50,000,000,000, against which Teapot Dome looks like a very small affair. The problem that looms is, How can we protect the American investors? Under our present system of business, individual ownership of corporations is nearly impossible. We have discovered that when there is collective ownership, many officers of corporations betray their trusts. They sell short their own stocks and take all sorts of advantage of their own stockholders. They cash in and make large profits, and then get out from under. The methods used are many and indeed I think many of them are unlawful.

What we have uncovered leads, for instance, to the matter of tax evasion. The last hearings of the committee have developed that feature.

For instance, we find that Mr. Fox, of the Fox Theater, speculated on his own account in the stock of his own firm. When the market shrank and he lost some three or four million dollars, he had that loss taken over by his company, but in making up his tax return he charged it to himself and deducted that loss from his own income; so there is no doubt that probably half a million dollars of taxes can easily be recovered on the record in that case, and no defense is possible against it, if the man is financially responsible, and he is reputed to be worth \$15,000,000 or \$20,000,000 yet.

We discovered in another case that it is a regular practice to evade taxes by setting up corporations in Canada so that profits can be entered on the books up there, although the business is conducted here. The worst case we have found so far was where a Cleveland firm sent their securities to Canada. The express charges were about \$35,000. They were sent by a New York bank that held the securities as collateral. The bank released them for the purpose of sending them up to Canada to enter them on some books up there in order that a Canadian notary public might certify their presence there, and that the profits might appear to be in Canada instead of the United States. The tax evasion in that case amounted to about \$2,000,000.

There was testimony before the committee indicating that the attorney of the bank had warned them against doing it and said they might be guilty of conspiracy to defraud the United States of taxes. I have not any doubt that recovery in this case can be made. We are opening up a wide field, and I suggest that it is up to the Senate to determine how much of an investigation we are to conduct. I have no complaint to make or criticism to make of the Committee to Audit and Control.

They have done with this resolution only what they have done with practically every other which has come before them; they have cut it in two; but it is up to the Senate whether the committee shall conduct a small investigation or a larger one. Let me say my thought was that the committee should conduct even a larger one than would have been possible perhaps under the resolution as originally introduced, but not with the hope of going into the whole matter. Our attorney stated before the committee that it would require a quarter of a million dollars to go into the whole field and develop it, and it seemed hopeless, even with the prospect of large tax recoveries, to get such authority. Our attention was called to the fact that the New York investigation has cost three-quarters of a million dollars already. However, I want the Senate to know what they are voting on when they vote on the amendment to cut the amount for the committee from \$50,000 to \$25,000. That is all I want to say.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. SMOOT. Mr. President—

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDENT pro tempore. Unanimous consent was granted for the consideration of the resolution.

Mr. ROBINSON of Arkansas. I understand that, and it ought to be disposed of before we take up something else.

The PRESIDENT pro tempore. The Chair did not understand the Senator from Utah to propose something else.

Mr. SMOOT. Mr. President, I simply desire to ask unanimous consent to submit certain reports from the Committee on Finance to go to the calendar.

Mr. COPELAND. Mr. President, may I inquire what are the reports?

Mr. ROBINSON of Arkansas. Mr. President, I object for the present.

The PRESIDENT pro tempore. Objection is made. The question is on agreeing to the amendment reported by the Committee to Audit and Control the Contingent Expenses of the Senate to the pending resolution.

Mr. PITTMAN obtained the floor.

Mr. JOHNSON. Mr. President, does that amendment cut in half the amount?

The PRESIDENT pro tempore. The amendment proposes to strike out "\$50,000" and insert "\$25,000."

Mr. JOHNSON. Mr. President, I have no desire to interfere at all—

The PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. JOHNSON. Will the Senator from Nevada yield to me for a moment?

Mr. PITTMAN. I yield.

Mr. JOHNSON. Mr. President, I have no desire to interfere at all with the endeavor in behalf of economy on the part of the committee nor with any decision that may be

rendered with respect to this matter, but there is no higher duty that can be performed by the Senate than the investigation of the men who brought on the horrible panic and the dreadful cataclysm that this country has witnessed during the past few years. If, as the chairman of the committee says, the country may recover in taxes the sums he indicates, we will be well repaid, and not only repaid generously but the country will be compensated many times over for the amount we appropriate. This, he says, comes from uncovering huge tax frauds from financial magnates who have manipulated the market.

This investigation is one which ought to be prosecuted to the full, with sufficient funds to see that it is carried out in every respect in order that there may be developed all the facts, and developing those facts, then that legislation may be presented which may be necessary to prevent in the future a recurrence of that which we have seen in the past. And the investigation should be prosecuted, even though there be no financial return from tax frauds perpetrated upon our Government.

We have a singular situation that has been shown by the gentlemen who have come before the Banking and Currency Committee thus far. There will be shown undoubtedly, as the chairman indicates, other matters which ought to be disclosed and the discovery of which ought to be made to this country. If it be a fact that those who have much have brought upon the Nation the peculiar catastrophe that now is ours, if they contributed to the human misery that is now about us, it ought to be known, and the individuals who are responsible ought to be held up to public obloquy and scorn. If the chairman of the committee says, from his experience, that double the amount of money is required in order to conduct an investigation which shall accomplish the real purpose of the original resolution that sum should be accorded; and I hope that the amendment of the committee will not be agreed to.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. PITTMAN. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I inquire what amount has been expended by the committee up to date?

Mr. NORBECK. The \$50,000 appropriated has nearly all been expended, but there is enough left so that we can clean up our bills.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. ROBINSON of Indiana. Will the Senator yield so that I may ask a question of the Senator from South Dakota?

Mr. PITTMAN. I yield.

Mr. ROBINSON of Indiana. I should like to ask the chairman of the committee how much, in his judgment, it will require properly to prosecute this inquiry?

Mr. NORBECK. No one knows what the amount would be; it would be just a wild estimate. I do not think that we have gone into it very far as yet, but I really feel that with an expenditure of another \$50,000 we can get a fair picture of the matter, not with the thought of holding hearings this summer, although the committee is going to be busy, but rather with the thought of keeping the investigators busy and starting hearings again in the fall.

Mr. ROBINSON of Indiana. Is there an effort being made now by other Members to reduce the amount from \$50,000 to \$25,000?

Mr. NORBECK. I had in mind introducing a resolution for \$100,000, but we all realize that such an amount is a large sum in these days; so I introduced it for \$50,000, and the Committee to Audit and Control the Contingent Expenses of the Senate cut it to \$25,000. I do not say that in a critical way.

Mr. ROBINSON of Indiana. Why was that done?

Mr. NORBECK. I do not want to be critical, because that is about what they have done in the case of all other resolutions calling for expenditures that have come before them. I am saying that if this matter is of sufficient importance to the Senate, I just want their attention long enough

so that they may know what they are voting on; and it is up to the Senate to decide whether we shall have \$25,000 or \$50,000 or a larger sum or have none at all. We will do the best we can in any event.

Mr. ROBINSON of Indiana. The Senator introduced the resolution for \$50,000?

Mr. NORBECK. Yes; I certainly would not have introduced the resolution for \$50,000 if I had not thought that was necessary.

Mr. ROBINSON of Indiana. Mr. President, if the Senator from Nevada will yield further—

The PRESIDENT pro tempore. Does the Senator from Nevada yield further to the Senator from Indiana?

Mr. PITTMAN. I yield.

Mr. ROBINSON of Indiana. I am in thorough accord with all that has been said by the Senator from California, except I go further and say that if it can be definitely developed that those who are responsible for the misery that surrounds us on all sides can be identified, then, in my judgment, they should be prosecuted to the full extent of the law.

Mr. FESS. Mr. President, will the Senator from Nevada yield to me?

Mr. PITTMAN. I should like to have a vote on the pending question.

Mr. FESS. Will the Senator yield for a moment?

Mr. PITTMAN. If the Senator desires to make a speech, I do not yield.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. ROBINSON of Indiana. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBINSON of Indiana. A vote "yea," as I understand, means a vote in favor of reducing the amount to \$25,000. Is that correct?

The PRESIDENT pro tempore. It is. The question is on agreeing to the amendment proposed by the committee. The amendment was rejected.

The PRESIDENT pro tempore. The question recurs on agreeing to the resolution.

The resolution was agreed to.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program, and providing a method of financing such program.

The PRESIDENT pro tempore. The question recurs on the amendment proposed by the Senator from Nevada [Mr. PITTMAN]. The Senator from Nevada has the floor.

Mr. PITTMAN. Mr. President, I dislike very much to have the Senate vote on a very important amendment to this bill without anyone knowing what it is except probably the five who assisted in preparing the bill. The bill does not now contain any provisions similar to those in the amendment. The point involved came to our attention even after the bill was reported from the Committee on Banking and Currency. It is a suggestion designed to facilitate action on the loans to self-liquidating corporations. At the present time the Reconstruction Finance Corporation in transacting its business has certain representatives in different sections of the United States. There has been inevitable complaint against the partiality of those representatives of the Reconstruction Finance Corporation in different zones and their lack of knowledge or experience to report on the applications for loans from different sections of the country.

The amendment proposes to set up an advisory board in each of the Federal reserve zones of the United States, the members of which shall serve without pay, and who shall have the experience to enable them to pass on whether or not an applicant for a loan comes within the definition of this bill as being a self-liquidating corporation. It is an exceedingly important matter, as we are going to appropriate

\$1,500,000,000 to be loaned to so-called self-liquidating corporations, to know what is a self-liquidating corporation.

Mr. COUZENS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. PITTMAN. I yield.

Mr. COUZENS. I do not find in the amendment that the board which the Senator proposes to set up will have any binding authority.

Mr. PITTMAN. It is advisory, of course.

Mr. COUZENS. And who is responsible for the loan—the Reconstruction Finance Corporation or this board?

Mr. PITTMAN. No; the amendment does not change the bill at all, except that it attempts to set up an organization in each one of the Federal reserve districts that will respond quickly to the request for information with regard to any applications for loans from the respective districts.

Mr. COUZENS. Mr. President, one objection I have to the amendment is that it divides authority; there is no concrete authority, because under it the buck can be passed from the board to the Reconstruction Finance Corporation. The powers of the Reconstruction Finance Corporation at the present time are, in substance, just what this amendment provides, in that they have themselves set up district agencies to report to them; and yet, so far as Congress is concerned, it places complete responsibility upon the Reconstruction Finance Corporation.

Mr. PITTMAN. I may say that this does, too, if the Senator will read it.

Mr. COUZENS. It legislatively, however, tells them how to go about it.

Mr. PITTMAN. It states this:

And upon receipt by the corporation of an application for a loan under such subdivision it shall be referred to the direct project board for the proper district for examination and report as to whether the project covered by the application is of a class with respect to which loans may be made under such subdivision unless the corporation has in its possession sufficient information upon which to act.

Mr. COUZENS. I understand that, but it is just a duplication, because the Reconstruction Finance Corporation now has agencies set up so far as passing upon applications for loans from the districts throughout the United States is concerned. If a bank in Walla Walla makes an application to the Reconstruction Finance Corporation, they have an agency in that district to pass upon it; they set up their own agency. I do not see why we should do differently in this case.

Mr. PITTMAN. Let us see if this is any different. I will say to the Senator from Michigan that the existing Reconstruction Finance Corporation act is intended chiefly for loans to banks.

Mr. COUZENS. And railroads and others.

Mr. PITTMAN. Yes; but that was the main purpose of it, and, as a matter of fact, their representatives in these zones, as I understand, are very largely able bankers knowing the situation in banking circles, and I suppose knowing the railroad situation, but, if we pass the pending bill, we are dealing not with banks and not with railroads, because this bill expressly provides that those institutions that may now borrow under the Reconstruction Finance Corporation act shall not borrow under this proposed act. We have attempted to define a self-liquidating corporation. No corporation except one dealing with a self-liquidating project can borrow money under this bill.

Therefore, Mr. President, there are three things to be ascertained, as I take it. In the first place, is the corporation making the application within the definition of a self-liquidating project? That involves, as I take it, first a legal question, second an economic question, and third the economic question which probably will turn on an engineering report. They will have to have some one besides a banker in each one of these districts to determine those three questions.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PITTMAN. Yes. Just let me show you what the board consists of.

Mr. COUZENS. But I wonder how they would get that information if we did not pass this amendment. Of course, they would go about it in the same way, and do it in their own way.

Mr. PITTMAN. That is very probable. I hope they would.

However, Mr. Eugene Meyer might consider that a banker is also an engineer and a contractor and a lawyer. That all depends upon the viewpoint of the man who is appointing.

I regret to say that I do not believe, frankly, that the organization that they now have would facilitate this action. I think it would delay it. Of course, if they did not want to delay it, I will say to the Senator from Michigan, they do not have to refer it. If they say, "We have the information from any outside source," they do not have to refer it; but what I should like to see is this:

In each one of these Federal zones a board consisting of whom? First, a member of the Reconstruction Finance Corporation—I mean, I mean with regard to this particular character of loan. Second, a member of the Stabilization Board. I think it is very essential that a member of the Stabilization Board should be on this board, because, take Mr. Sawyer, for instance. Under an act of Congress he has been studying, surveying, and segregating all of these various works that have been authorized, to determine those that are ready to go and those that are not. I think possibly his study is more valuable than that of anyone else.

So we have a board consisting of a member of the Reconstruction Finance Corporation. To that there would be no objection; but we would be assured that the director of the Stabilization Board was a member of that board, and we would be assured that an engineer to be appointed directly by the President was a member of that board. It is only an assurance, so far as I am concerned, that we would not only have an impartial board but that we would have a competent board to decide the three questions that come up—the legal question, the economic question, and the engineering question.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. COUZENS. If the Senator wants to make any decision they reach mandatory upon the corporation, the same as the decision of the Interstate Commerce Commission is mandatory upon the corporation in railroad loans, I would not object; but I dislike this division of authority.

Mr. PITTMAN. I would not make it mandatory under any consideration.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. PITTMAN. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I was just about to say the same thing that the Senator from Nevada has said. I think that would be utterly impracticable. We would have this condition then: We would have 12 boards making loans, with no power in the central board to coordinate or to limit their activities. The probability is that we would have competition between the board of one district and that of another, and I think that would be subversive.

May I say, while I have the floor, that the amendment of the Senator from Nevada has this value: It makes certain that there will be a measure of impartiality in the loans to be considered by the board. It prevents the possibility of arbitrary action. It promotes prompt decision.

It may be said, as implied by the Senator from Michigan, that the board itself is intelligent, and can set up its own agency, and work questions out according to its own best judgment; and that is the real issue involved in the amendment—whether the Congress wishes to give some direction to the manner in which these loans shall be prepared for consideration by the board.

It would be difficult for a central board here, operating through the present agencies of the board, to pass upon loans of this character. It would be necessary for them to set up other agencies, or add to their existing agencies.

The amendment of the Senator from Nevada impresses me as well worthy of consideration.

Mr. COUZENS. Mr. President, if the Senator will yield, of course I disagree wholly with the conclusion reached by

the Senator from Arkansas in that any direction to the corporation is involved. Apparently it is the intention of the author of the amendment that the Reconstruction Finance Corporation can do as it likes. In the meantime, we have set up a very elaborate agency all over the United States, whose expenses we are going to pay; and for what purpose? For the purpose of giving advice to the Reconstruction Finance Corporation, whether it chooses to accept it or not. In other words, it seems to me an entirely useless appendix to the Reconstruction Finance Corporation if it has no authority whatever.

Remember, I do not approve of the amendment at all, and therefore I do not approve of making the recommendations of this board mandatory upon the corporation. I said that if the Senator wanted to make this effective, he should make it mandatory; otherwise it is just a conflict, a buck-passing arrangement, where there is no absolute responsibility for final conclusions.

Mr. PITTMAN. Mr. President, of course the Senator from Nevada has not any desire to have boards through the country having mandatory control over the corporation, but I believe that there will be thousands of applications for loans under this provision of the bill. I do not desire that all of them shall run back here to Washington to the corporation, because they will flood that building with them. They will come before officers who have not time to consider any of their problems. Some of them will be as hastily and probably as ill-advisedly considered as some of them already have been, not by reason of any fault of the corporation but by reason of lack of time.

It would seem to be very much better, if we take, for instance, the Federal reserve zone out on the Pacific coast, to have the thousands of applications for loans go right into that local board and be segregated, and have those that apparently are not within the scope of this provision at all just thrown out, and have the recommendation come on to the board saying, "Here is a group of applications that have no business under this act." It has the same effect as the appointment of a commissioner of a court to take evidence. The court can not take evidence in hundreds of cases pending. It appoints a commissioner to take the evidence and bring in the facts and make recommendations.

There have not been such numerous loans under the Reconstruction Finance Corporation act as we have it now. There have been very large loans, but only to a comparatively few institutions, because they were limited practically to banks, to railroads, and to trust companies. But if we do enact a provision similar to this, to lend money to municipal and semimunicipal corporations and even private corporations where they are self-liquidating, by building tunnels and bridges and aqueducts and canals, it is inevitable that there will be thousands of applications for loans. It is inevitable that a great majority of those will not come within the definition of this provision of the act at all.

Now, one of two things must be done. Do we want those applications referred back to a banker in San Francisco for that zone, or do we want them referred back, in case of doubt, instantly to a board consisting of an attorney, an engineer, and an appointee of the corporation?

I feel that that board, acting without pay, consisting probably of the ablest men they could find in those professions, would relieve the Reconstruction Finance Corporation of a tremendous lot of work, and facilitate things. I draw the distinction, however, between those loans under the present act and under the provisions of this bill if we pass it; and these provisions will probably pass, because I think a majority are in favor of them. We are going to have confusion, and if we adopt this amendment we will save the Reconstruction Finance Corporation a tremendous lot of trouble. We will facilitate action. We will insure against even the suspicion of favoritism.

It is an entirely different thing from the loans under the present project. We just submit the matter there because it is worthy of consideration. The corporation appoint one

member of this local board. They do that now. If they want to appoint the existing member, they can appoint him. They appoint an engineer, and they appoint an attorney. Those men constitute a reference board which can segregate all of the applications for loans from that particular district. As I say, there is no doubt that two-thirds of them would be thrown out instantly as not coming within the purview of this act at all.

For instance, there might be thousands of applicants who would come in and say, "We want this loan for a school district. We consider a school district a self-liquidating proposition," as was stated the other day, "because we can collect taxes." We know that that does not come within the purview of this act. It is not intended to do so. But are we going to have thousands of those cases piled on top of the Reconstruction Finance Corporation? In every district they ought to be segregated out and separated, the report ought to come back, and they ought to say, "Here are the only ones that come within the purview of this act, right here."

If we do not do that, we will have to take the responsibility of how it comes out.

That is all I have to say.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Nevada.

Mr. WALSH of Montana. Mr. President, I wonder if the Senator from Nevada has not restricted too much the duties of this district board.

The amendment reads:

Upon receipt by the corporation of an application for a loan under such subdivision it shall be referred to the district project board for the proper district for examination and report as to whether the project covered by the application is of a class with respect to which loans may be made under such subdivision.

Mr. PITTMAN. That is all that I had in mind, because I want to segregate those that are clearly within the act and those that are not.

Mr. WALSH of Montana. That would seem to be simply the duty of a lawyer.

Mr. PITTMAN. I do not think that is necessarily so.

Mr. WALSH of Montana. I should think the Senator would want a recommendation from the district board, as well as to the advisability of making the loan.

Mr. PITTMAN. That is done by the Federal board.

Mr. WALSH of Montana. Yes; but the general board would have information about it only as it is given to it by the district board, it would seem to me.

Mr. PITTMAN. Of course, if it is desired to enlarge the board, that is another question. As a matter of fact, the Senator from Michigan [Mr. COUZENS] thinks it is too large now, I take it. I have amended the amendment, although I have not offered it in amended form. I wish to offer it in that form so as to perfect it. Where it says "architect," I wish to strike out "architect" and insert "attorney at law," because I conceive that an architect is not so necessary in these self-liquidating corporations.

The PRESIDENT pro tempore. The Senator has a right to modify his amendment prior to action upon it, and the modification is made.

Mr. PITTMAN. Mr. President, I do not wish to enlarge the matter any more than that. I simply wish to segregate locally applications for loans which are within the purview of this section, separate self-liquidating corporations from those that are not, and have it done by a competent body, which will consist of an attorney in the District, an engineer, and an appointee of the corporation. If Senators do not think the amendment will facilitate the matter, of course, they will not vote for it.

Mr. BINGHAM. Mr. President, I merely want to call attention to the fact that services of members of the boards are so valuable, in the opinion of the Senator introducing the amendment, that he states that the members of such boards chosen from civil life shall serve without compensation.

There is an old saying, coming from many years ago, that the laborer is worthy of his hire. There being no hire pro-

vided, it seems to be implied that the laborer is not doing a job fit for compensation.

Mr. PITTMAN. Mr. President, I would dislike very much to say that about the members of the present boards throughout the country, because they are not receiving any pay.

Mr. BINGHAM. I am not criticizing anybody, but I merely desire to point out that if we expect important and busy people to give a considerable part of their time to an important matter it is worth receiving compensation. If we expect them to serve without compensation, it will mean that a great many of them will be appointees who are looking for something other than proper compensation, and it seems to me that we would be setting up a great mechanical device here, with a large number of boards, some of which are so unimportant that they are printed in small type and one of which is so important that in this amendment it is printed in large type. It is an extraordinary arrangement, and it does not seem to me, with all due respect to my good friend from Nevada, that what he is proposing would do more than complicate the situation with a lot of dollar-a-year people who are not even worth a dollar a year.

Mr. PITTMAN. I am sorry to hear the Senator say that. It happened that he was not a dollar-a-year man, but we had some very good ones here during the war. It happens to-day that the Reconstruction Finance Corporation, in being advised with regard to loans throughout the United States, have established the same kind of districts, but they are dealing purely with the banking problem, and they have some of the ablest bankers in the country who are acting as chairmen of advisory boards without pay.

There are some men in this country who are so interested in the development of the country, so interested in relieving unemployment, that, notwithstanding their high positions, they are willing to give their time to the Government in that kind of work.

Mr. President, I will detain the Senate but a very few minutes longer. I am so totally in disagreement with the Senator from Connecticut that it will not take long to express what I mean.

We are in greater distress in this country to-day than we were during the war. At the time the ablest brains and experts of this country donated their services to their Government; they were not considered incompetent because they were working without salary. We are in a situation to-day far more serious than we were ever in then, and it is to be expected that the ablest experts and statesmen and bankers of this country will give their services to the Government wherever needed, and be happy to do so.

I would not care for advisory boards in these 12 districts if the members would not serve without salaries, and that is the reason why salaries are not provided for.

The corporation has already a representative in every district. It can keep him, under this amendment. It would not have to appoint anyone else. It would result in only two additional men being attached to each board—that is, an engineer of contracting experience and a lawyer. It would insure that the advice they gave would be more nearly impartial, and certainly of greater value.

Mr. COUZENS. Mr. President, I am not finding fault with the Senator's amendment in that respect, but if I am correctly informed, the Reconstruction Finance Corporation now have these boards set up, voluntary boards, occupying their own offices, and without expense to the R. F. C. As I understand, they are doing a very excellent and patriotic work in helping the R. F. C., the same being a governmental agency, not organized for profit.

Yet in this amendment proposed by the Senator he provides 13 agencies, 1 in Washington and 12 others, and all the expenses of those agencies are to be paid by the R. F. C. In other words, it is an invitation for the R. F. C., or these commissions or boards which the Senator would create, to rent offices, to procure office furniture, to install telephones, to employ stenographers and draftsmen and architects and engineers, all for the purpose of collecting information which

the R. F. C. may or may not need. I am not opposed to the Reconstruction Finance Corporation getting adequate information, but I think it is absolutely wrong by legislative enactment to tell that organization that they must set up 13 agencies, with 13 offices, and pay thirteen times office expenses, and other expenses, for the purpose of getting information which may or may not be needed by them.

I think the whole matter ought to be left to the R. F. C. Apparently it has worked out all right so far, and this amendment extends an invitation to them to set up all these agencies, with the usual expenses which go with such organizations.

Mr. PITTMAN. Mr. President, as the Senator says, the R. F. C. already has its boards or commissions established in the 12 districts of the United States, and in more places than that, I may say; and they have their offices already. This amendment would do practically nothing except to insure that there would be added to the boards in the various places attorneys and engineers of satisfactory experience.

Mr. COUZENS. Mr. President, the Senator proposes, however, that all the expenses are to be paid. There is no such provision in the original Reconstruction Finance Corporation act. These boards are occupying their regular offices, they are using their own telephones, they are using their own clerks and their own stenographers. But here the Senator proposes that the Government will now set up another sort of agency, of which the Government will pay all the expenses. It certainly will involve the employment of architects and engineers, and by the amendment proposed by the Senator he invites everybody to come in and come under Government appropriations.

Mr. PITTMAN. Let us see whether it does call for that or not. The Senator says it will result in the employment of engineers and architects?

Mr. COUZENS. Certainly. It says that all expenses of such boards shall be paid, and the Reconstruction Finance Corporation can fix the expenses.

Mr. PITTMAN. But all they are to determine is whether or not the applicants are of a class to which loans should be made.

Mr. COUZENS. That is, they would have to have architects and engineers and draftsmen to determine all those matters, if it is to be handled along the lines the Senator recommends.

Mr. PITTMAN. Do the present boards have engineers to determine those questions?

Mr. COUZENS. It will be up to them to determine whether they want them or not, or whether or not the Army engineers can give them adequate information. I think they ought to be left to their own methods.

Mr. PITTMAN. I understand. This is the situation exactly. One Senator objects because the members of the boards are not to draw big salaries, the other objects because they have the expenses of an office to maintain; but what we have to face is this, that we are going to lend a billion five hundred million dollars of Government money, and if it is not worth the expenses of office rent and stenographers to see that that money is not squandered and wasted and misapplied, then I am entirely wrong.

The PRESIDING OFFICER (Mr. HASTINGS in the chair). The question is upon agreeing to the amendment offered by the senior Senator from Nevada [Mr. PITTMAN].

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Byrnes	Dickinson	Howell
Bailey	Capper	Fess	Hull
Bankhead	Caraway	Fletcher	Johnson
Barbour	Carey	Frazier	Jones
Barkley	Cohen	George	Kean
Bingham	Connally	Goldsborough	Kendrick
Black	Coolidge	Hale	La Follette
Blaine	Copeland	Harrison	Lewis
Bratton	Costigan	Hastings	Logan
Brookhart	Couzens	Hawes	McGill
Broussard	Dale	Hayden	McKellar
Bulow	Davis	Hebert	McNary

Metcalf
Moses
Neely
Norbeck
Norris
Nye
Patterson

Pittman
Reed
Robinson, Ark.
Sheppard
Shipstead
Smoot
Stelwer

Stephens
Thomas, Idaho
Thomas, Okla.
Townsend
Trammell
Tydings
Vandenberg

Wagner
Walsh, Mass.
Walsh, Mont.
Watson

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was rejected.

Mr. FLETCHER. Mr. President, I desire to offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 103, at the end of line 5, insert the following proviso:

Provided, That the corporation may make loans under this section to any building and loan association upon its unsecured evidence of indebtedness in States where there is no statutory or implied authority for such association to pledge or assign the notes or mortgages of its borrowing members as security; but in such cases no loan shall be made to any such building and loan association the amount of whose liabilities exceeds 25 per cent of its assets at the date application for such loan is made.

Mr. FLETCHER. Mr. President, very briefly, let me say that paragraph (b) on page 103 limits the operations of the act so that—

No loan shall be made by the Reconstruction Finance Corporation under section 1 of this act to any financial institution, corporation, railroad, or other association or organization of a class to which loans may be made under the Reconstruction Finance Corporation act.

Under that act loans are authorized to building and loan associations, but it has developed that in a number of States the building and loan associations are not authorized or empowered to pledge their securities or to borrow on the strength of their securities. Therefore the amendment belongs here at the end of the paragraph which I have mentioned, because to that extent it modifies the Reconstruction Finance Corporation act and permits building and loan associations, in those States where the laws do not authorize borrowing on their assets and the pledging of their securities, to borrow provided that in such cases no loans shall be made to any such building and loan association the amount of whose liabilities exceed 25 per cent of its assets at the date application for such loan is made. In other words, it makes it possible for the Reconstruction Finance Corporation to loan to building and loan associations in States where they can not make such loans now by reason of an absence of State law. I think this provision ought to go into the bill. There are a few States where that situation exists. By this amendment the Reconstruction Finance Corporation would be authorized to make loans to such association provided their liabilities do not exceed 25 per cent of their assets.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. I yield to the Senator.

Mr. ROBINSON of Arkansas. Has the Senator information as to what proportion of the building and loan associations would be eligible under the limitation carried in his amendment?

Mr. FLETCHER. This makes them all eligible. They are eligible under the Reconstruction Finance Corporation act now, but there are some States that do not permit the pledging of their assets.

Mr. ROBINSON of Arkansas. I understand that, but the Senator has limited the right to make loans to those associations whose liabilities do not exceed 25 per cent of their assets. My impression is there are very few building and loan associations in the States with which I am familiar that would be eligible to make a loan, because in most cases their liabilities are in excess of 25 per cent of their assets. In other words, I do not believe the amendment would be effective or beneficial to very many building and loan associations.

Then, another thing I want to call to the attention of the Senator is that the fact that the State statute forbids the

use of its assets for collateral on the part of building and loan associations raises a very serious question in my mind whether the amendment ought to be incorporated.

Mr. FLETCHER. It is not so much that the States do not allow borrowing by building and loan associations or that they are opposed to it, but because they have simply failed so far to provide by legislative enactment authority and power in the building and loan associations to make the loans. The States are not opposed to it. I think there is no State anywhere but will amend its laws so as to come within the Reconstruction Finance Corporation act, but that would take two or three years. I did not learn about this situation until recently, when some building and loan associations took up the matter with me because the Reconstruction Finance Corporation had held that under the laws of their States there was no express or implied authority for the building and loan associations to negotiate such loans and pledge their securities. Consequently they were denied a loan.

Mr. ROBINSON of Arkansas. With that state of the law prevailing, what security would the Reconstruction Finance Corporation have for a loan if it were made under the provisions of the Senator's amendment?

Mr. FLETCHER. They would make the loans upon the responsibility of the association, and of course the association itself must be solvent.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Florida a question at that point?

Mr. FLETCHER. I yield to the Senator.

Mr. VANDENBERG. In the event of subsequent liquidation would this be a legal debt in view of the inhibition of the State statute?

Mr. FLETCHER. There is no positive inhibition. There is simply a failure to authorize expressly that sort of transaction on the part of the building and loan associations. There is no inhibition against it. If the State laws prohibited it we could not cure that defect by any legislation here, but the Reconstruction Finance Corporation has said that there is no implied authority to negotiate these loans. I am quite sure that if we authorized the Reconstruction Finance Corporation to make such loans they could obtain security from the associations aside from a pledging of their notes and mortgages and assets. The association itself has a certain responsibility, is perfectly good and sound, and can arrange in a way to satisfy the Reconstruction Finance Corporation. It gives them the opportunity to come in and borrow. That is the purpose of the amendment.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator another question?

Mr. FLETCHER. I am willing to change the percentage as suggested by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I did not suggest a change in the percentage because I am looking for the security that would be behind the loan if it were made under the amendment. There would be no control over the activities of the building and loan associations. Many of them are in trouble now, as we all know. I sincerely doubt whether very many could be found whose liabilities are not 50 per cent of their assets. I am not suggesting to the Senator to relax the rule and make a loan to an association that can not give any collateral and whose liabilities are approaching the amount of its assets. I think that would be bad legislation.

Does the Reconstruction Finance Corporation recommend the amendment?

Mr. FLETCHER. I have not submitted the amendment to the corporation itself. I have conferred with some agents of the corporation, particularly a very responsible and very excellent one in another State. He suggested the amendment in this way. The building and loan associations seem to favor it.

Mr. ROBINSON of Arkansas. The law now authorizes loans by the Reconstruction Finance Corporation to building and loan associations. There is full freedom, so far as the corporation is concerned, to make loans. I take it the only question that arises is what security should be required or given. I would not feel justified in authorizing a loan to a

building and loan association without some kind of adequate security. Even though it may be entirely solvent at the time of the loan, that is no assurance that it will continue solvent until the loan is paid or collected.

Mr. FLETCHER. I should say this would leave the matter entirely with the Reconstruction Finance Corporation.

Mr. ROBINSON of Arkansas. It is with them now, and that is the very point I am making.

Mr. FLETCHER. I understand that they hold that in certain States they can not obtain any security.

Mr. ROBINSON of Arkansas. That is a very good reason for not making the loan.

Mr. FLETCHER. I mean security in the way of a transfer or actual assignment or pledge of their obligations in the form of mortgages and notes. This amendment would relieve them of the necessity of looking to the specific mortgages and notes or to any assignment or transfer of those notes or mortgages to the Reconstruction Finance Corporation. It provides for their making loans, if the association is perfectly solvent, on the unsecured evidence of indebtedness on the part of the building and loan association, but no such association may apply for a loan if its liabilities exceed 25 per cent of its assets.

Mr. COUZENS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Michigan?

Mr. FLETCHER. I yield.

Mr. COUZENS. I should like to point out to the Senator that building and loan associations that can put up collateral for security have in the past always borrowed from banks, have they not?

Mr. FLETCHER. I presume so, in some States.

Mr. COUZENS. That is true. Now, I desire to point out that under existing law the same building and loan associations can borrow from the banks if the banks think they are good, and the banks, in turn, if they need money can borrow from the Reconstruction Finance Corporation. So, in fact, if a bank does not think a building and loan association is good enough, then certainly the Reconstruction Finance Corporation should not think so. If the bank thinks it is good enough, and the building and loan association needs the money, it can lend to the building and loan association and then borrow from the Reconstruction Finance Corporation with the note of the building and loan association as security.

Mr. FLETCHER. That, I will say to the Senator, is very good reasoning, and if it would work it would be all right; but the Senators know, as we all know, that the banks are not doing these things now; they are really not functioning throughout the country as banks; they are not making this kind of loans or practically any loans in a great many instances. The banks might do what the Senator suggests in some cases, and when we undertook to take care of the banks so far as we could under the Reconstruction Finance Corporation, we supposed they would do exactly what the Senator points out, but they have not been doing it. While we released their frozen assets, as we called them, or as Rogers calls them, "petrified persimmons," they have not as a result of that accommodated their customers as was expected and as we intended they should do.

In the States where no authority exists under the law to pledge their bonds and their notes and mortgages, I do not know whether they have been going to the banks or not, I am not advised as to that; but I do know that the Reconstruction Finance Corporation refuses to make loans to building and loan associations in certain States, and they put their refusal upon the ground that the building and loan associations in those States are not authorized to assign or transfer their notes, their mortgages, and their securities. That is what I am trying to reach by the amendment, so as to take care of the building and loan associations all upon the same footing wherever they may be located, provided, of course, they are perfectly solvent and their debts do not exceed 25 per cent of their assets. Why should they not be eligible to loans? It is a matter for the Reconstruction Finance Corporation to pass on finally, any way, as to

what security they require and what security they will exact. This amendment opens the door for all building and loan associations upon a perfectly safe basis to become eligible for applications for loans, and it is then up to the Reconstruction Finance Corporation to determine whether they can offer the proper security or not. I should like to have this amendment go in the bill, and go to conference, anyway, and see if it can not be worked out.

I did not quite agree with the position taken by building and loan associations in some of the States. I took the question up with them and undertook to combat their views about it, but their counsel held firm. Florida is one of the States concerned, and I even submitted the question to some of the best lawyers in Florida, and they stated that the Reconstruction Finance Corporation was wrong in their point of view. The lawyers there have said that to me, but that does not open any door. The Reconstruction Finance Corporation is advised by their counsel that they can not make these loans because of the lack of authority in the building and loan associations under the laws of the States to assign and transfer and pledge their securities.

This amendment will open the way for building and loan associations thus situated, where they are perfectly solvent, where the loan is perfectly secured, and whose liabilities do not exceed 25 per cent of their assets, to make any other arrangement that the Reconstruction Finance Corporation may exact, except that they may not be required to transfer and assign their mortgages, and that sort of thing. I think the amendment will open the way to accommodate such building and loan associations.

I would not be so insistent about it merely because of the situation in my own State, although we have some very strong and very excellent and splendid building and loan associations there that need accommodation of this kind, but there are other States in the same situation. I think Pennsylvania is one such State, and I believe there are other large States in the same situation. Why not give them a chance to come to the Reconstruction Finance Corporation, make their showing, and if the corporation feels that the loan is perfectly safe empower it to make such loan?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Florida.

Mr. WALSH of Massachusetts. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 103, line 5, after the word "act," it is proposed to insert the following:

Provided, That the corporation may make loans under this section to any building and loan association upon its unsecured evidence of indebtedness in States where there is no statutory or implied authority for such association to pledge or assign the notes or mortgages of its borrowing members as security; but in such cases no loan shall be made to any such building and loan association the amount of whose creditor liabilities exceeds 25 per cent of its assets at the date application for such loan is made.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator from Florida a question?

Mr. FLETCHER. Certainly.

Mr. WALSH of Massachusetts. I have been informed that that provision for such loans as the Senator has in mind by the land banks, so called, and the cooperative banks is contained in the home loan bill, so called. Am I correct in that assumption?

Mr. FLETCHER. I do not quite understand the Senator's reference to the land banks.

Mr. WALSH of Massachusetts. Perhaps I should not have said "land banks," but cooperative banks. I might say they are called cooperative banks in some States and in other States home-loan associations.

Mr. FLETCHER. There are some such provisions in that bill, but I do not know what chance there is of getting it through.

Mr. WALSH of Massachusetts. I was going to ask the Senator if there is any possibility of action being taken upon that bill at this session?

Mr. FLETCHER. I do not think, if that bill should be passed, that the provision which I have offered is included in it.

Mr. WALSH of Massachusetts. I should like to say to the Senator I am informed that even in States where the bank laws are assumed to be very conservative associations of the character referred to are experiencing a good deal of difficulty; that their mortgage loans are frozen; that many of those who have borrowed and given mortgages on their homes are unable to meet the requirements so far as paying interest, and so forth, is concerned. Do I understand from the Senator that this amendment will relieve that condition?

Mr. FLETCHER. I think it would, to some extent, so far as building and loan associations are concerned.

Mr. WALSH of Massachusetts. What is the attitude of those fostering the bill in regard to the amendment?

Mr. FLETCHER. I have not talked to all those sponsoring this bill; I have not spoken to them all; but I have spoken to the Senator from New York [Mr. WAGNER] about it.

Mr. WALSH of Montana. Mr. President, the gentlemen sponsoring the bill have never had an opportunity to confer about the amendment, and I knew nothing about it until it was offered by the Senator from Florida.

Mr. COUZENS. Mr. President, if the Senator will yield, I was going to say that the legislative draftsman has just pointed out to me that this amendment as drawn does not carry out the intent of the Senator from Florida.

Mr. WALSH of Massachusetts. That is the information that has just come to my attention.

Mr. COUZENS. The amendment provides that "the corporation may make loans under this section to any building and loan association," and that refers to section 1 of the act. Section 1 of the act does not provide for any such loans.

Mr. FLETCHER. Yes; there is a provision regarding loans for building and loan associations.

Mr. COUZENS. Not in this bill. I think the Senator ought to withdraw the amendment for the time being to see if the amendment may not be perfected. I should like to see some provision that the liabilities shall never at any time exceed 25 per cent of the assets.

Mr. WALSH of Massachusetts. I hope the Senator from Florida will accept the suggestion of the Senator from Michigan, because I think the purpose of the amendment is a laudable one.

Mr. COUZENS. I hope the Senator from Florida will withdraw the amendment and let us see if we can not put it in perhaps a little better form.

Mr. FLETCHER. The amendment says:

That section 5 of the Reconstruction Finance Corporation act is amended by adding the following at the end thereof:

That was the amendment. I have tried to attach it to this provision on page 103 of this particular bill, which reads:

(b) No loan shall be made by the Reconstruction Finance Corporation under section 1 of this act to any financial institution, corporation, railroad, or other association or organization of a class to which loans may be made under the Reconstruction Finance Corporation act.

The amendment provides that the corporation may make loans to building and loan associations under the conditions stated. I thought it was proper to be inserted there. It would seem to me to belong there, because the provision refers to the Reconstruction Finance Corporation act. I have offered the amendment so that the Reconstruction Finance Corporation may be authorized to make loans to building associations.

Mr. COUZENS. I am advised that the amendment would not be effective at all.

Mr. WALSH of Massachusetts. I inquire if they have any authority already under the general terms of the act?

Mr. FLETCHER. As to the authority to make loans to building and loan associations, I just pointed out a moment ago that the Reconstruction Finance Corporation hold they can not make such loans in States where building and loan associations are not authorized to pledge their assets. This amendment is intended to obviate that difficulty.

Mr. WALSH of Massachusetts. I assume that in practically all the States these associations are not authorized to pledge their assets. Am I correct?

Mr. FLETCHER. The Senator refers to building and loan associations?

Mr. WALSH of Massachusetts. Yes.

Mr. FLETCHER. I think in a majority of the States that is so. The Reconstruction Finance Corporation has made loans to building and loan associations, I am told, in various States; but there are States where they hold they can not make such loans because the law does not permit a transfer of the mortgages of such associations. I am trying to relieve that situation. However, the Senator from Michigan suggested I withdraw the amendment for the time being. I have not consulted with the legislative draftsmen about it.

Mr. COUZENS. I think the Senator has changed a bill which he has introduced and tried to make it apply as an amendment to the pending bill, but he has left out the reference to section 5 of the Reconstruction Finance Corporation act in his amendment. Then, also, in his original bill he provided that the liabilities should not exceed 5 per cent of the assets, but he has increased that to 25 per cent. I think there ought to be a further limitation and that the debts of building and loan associations should not be increased at any time when the Reconstruction Finance Corporation holds any loans of such associations. Will the Senator withdraw the amendment and let us see if we can not get together on it?

Mr. FLETCHER. I withdraw the amendment with that suggestion and will offer it later.

Mr. WALSH of Montana. Mr. President, the Senate was courteous enough last night to have laid aside temporarily an amendment offered by me. I ask now that it may be read to the Senate.

Mr. TYDINGS. Mr. President, will the Senator let me first read an amendment? If there is any discussion, I will withdraw it. I think, however, the particular amendment I am about to offer will probably be agreed to without any debate.

Mr. WALSH of Montana. Very well. I yield to the Senator.

Mr. TYDINGS. Mr. President, I offer the following amendment: At the end of the bill insert a new section to read as follows:

In the employment of labor in connection with any project provided for in this act preference shall be given, where they are qualified, to ex-service men with dependents.

Mr. WALSH of Montana. I hope that amendment will be adopted.

Mr. WAGNER. There is no objection to it, of course.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Maryland to the amendment of the committee.

Mr. COUZENS. Mr. President, should not that be amended so as to incorporate the provision that this work shall be done by hand rather than by machinery, if that is the proper part of the bill for such a provision?

Mr. TYDINGS. Will not the Senator let this amendment go in and offer that as a supplemental amendment later on? I should like to have the principle embodied in the bill that ex-service men with dependents, where qualified, shall have preference.

Mr. COUZENS. I will not object.

Mr. TYDINGS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. Now, Mr. President, I ask to have my amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 112, after line 16, the Senator from Montana proposes to insert a new section to read as follows:

The Reconstruction Finance Corporation is authorized and empowered to make loans to bona fide cooperative financial institutions, organized under the laws of any State or of the United States and having resources adequate for their undertakings, for the purpose of enabling them to finance the carrying and orderly marketing of staple commodities produced in the United States. The Reconstruction Finance Corporation may make any such loan in such manner and upon such terms and conditions as it may determine subject to the limitations of section 5 of the Reconstruction Finance Corporation act as to the periods within which it may make loans and the amounts and maturities thereof, and all such loans shall be fully and adequately secured.

Mr. WALSH of Montana. Mr. President, there is nothing further that I care to say in addition to what was said yesterday in support of this amendment. I am content to have a vote on it.

Mr. KING. Mr. President, I was not here yesterday when there was some discussion in regard to this amendment. I have in mind the fact that many of these so-called cooperatives are now very heavily involved, and are owing the Stabilization Corporation and the Farm Board many millions of dollars. I think the evidence heretofore obtained in some of the hearings disclosed that many of these so-called cooperatives are insolvent. They have the Farm Board with \$500,000,000 to which they may resort, and to which they have resorted. Does the Senator think it would be wise to increase their borrowing capacity and make further drains or drafts upon the amounts which will be carried in this bill?

Mr. WALSH of Montana. Mr. President, the cooperative farm-marketing organizations to which the Senator refers are already taken care of in the Reconstruction Finance Corporation act. They are authorized to borrow. Section 5 of that act provides:

To aid in financing agriculture, commerce, and industry, including facilitating the exportation of agricultural and other products the corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this act as it may determine, to any bank, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate-credit bank, agricultural-credit corporation, livestock-credit corporation, organized under the laws of any State or of the United States.

The Reconstruction Finance Corporation act authorizes loans to be made to the cooperative associations that the Senator has in mind. The bill before us now does not increase the funds for the purpose of making loans to any of these corporations, but the amendment contemplates a still further class of organizations to which loans may be made, namely, financial corporations that are engaged in loaning money for the purpose of carrying and marketing staple commodities other than those provided for in the Reconstruction Finance Corporation act.

Mr. COUZENS. Mr. President, if the Senator will yield, my difficulty is in the interpretation of "staple commodities." I wondered if the Senator wanted to go farther than would be provided if the following words were put in after the word "produced," in line 7, so that it would read:

Marketing of staple commodities produced on the farms of the United States.

Mr. WALSH of Montana. I should not have the slightest objection to that, except that those are already taken care of in the act. It would not add anything to the Reconstruction Finance Corporation act.

Mr. COUZENS. Will the Senator give us an example of what he contemplates taking care of under this amendment?

Mr. WALSH of Montana. The act, it will be observed, authorizes these loans only to agricultural-credit corporations. I can very readily conceive that many of these commodities might get into the hands of dealers who would ordinarily make loans from the banks for the purpose of carrying these commodities until the market was improved, and they could then orderly market them; whereas, under the existing conditions it is represented that the banks are forcing liquidation, and thus these commodities are thrown upon the market, thus depressing the prices. I can very readily conceive that the people having these commodities could organize themselves in a corporation quite like the

agricultural credit corporations for the purpose of making loans to those holding these stocks until they could market them orderly.

Mr. COUZENS. Mr. President, in the case of the agricultural-credit organizations, do not the commodities have a generally quoted market value? If I understand the Senator correctly, however, under his amendment all the automobile dealers of a community could get together and form a cooperative financial institution, and have Buicks and Fords and Packards and Lincolns in their garages, and go and borrow on those products, being staple commodities.

Mr. WALSH of Montana. If they were staple commodities.

Mr. COUZENS. Well, are they staple?

Mr. WALSH of Montana. I should not think that automobiles would be regarded as staple commodities. I think, however, there is considerable obscurity with respect to what would fall under that description.

Mr. COUZENS. I was trying to get that obscurity clarified, because I do not get the purpose of this amendment unless it is to include manufactured articles.

Mr. WALSH of Montana. I do not think so. I indicated a condition in which it would extend to agricultural products, the loans being made to financial institutions that could scarcely be called agricultural-credit companies or associations.

Mr. COUZENS. Let us assume, then, that all the retail merchants of a community got together and created a cooperative organization for the sale of children's clothes and boots and shoes and ladies' gowns, and so forth.

Mr. WALSH of Montana. The Senator will observe that this is for carrying.

Mr. COUZENS. Yes; they could put them all in a warehouse, as I understand, and borrow if it was cooperative. Is it cooperative as to sales or marketing, or is it cooperative as to securing finances? In other words, it seems to me that if it is going to be cooperative as to sales there must be some agreement as to the price at which the goods will be sold.

Mr. WALSH of Montana. Oh, no; the financial institution that can borrow is a financial institution that will loan for the purpose of carrying.

Mr. COUZENS. But in the case of agriculture, of course, they are not styled articles. They are not trade-marked articles. They are not in any sense manufactured goods. They are goods that are quoted on the market at certain rates from day to day; but if the Senator intends to include any staple commodities, manufactured, trade-marked, and other kinds of goods, I am frank to say that I do not know how it is going to work.

Mr. KING. Mr. President, the bill before us is entitled:

A bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

The amendment which the Senator from Montana [Mr. WALSH] has just offered has many commendable and meritorious features; and yet I shall feel constrained to vote against it, as I have against a number of measures offered yesterday which I thought would open the way for a private corporation to invade this fund and to divert it from the purposes for which it was created.

I have understood that the condition of unemployment was knocking at our door and making an appeal, and I am in entire sympathy with it; and I want to do everything I can in a proper way to aid the unemployment situation, to furnish work to the unemployed, as this bill indicates its purpose is. Yesterday, however, efforts were made—and most of them, I am glad to say, were unsuccessful—to convert it into a loaning bill, into a banking institution to loan to corporations private in character, engaged in private enterprises and private undertakings.

One of the suggestions was to loan for the purpose of opening up a placer mine in California. If we permit bona fide corporations to be formed, if we invite them to come to this fund and invade it, and obtain a portion of it, I do not see where we are going to draw the line. If we are to per-

mit bona fide cooperative financial institutions, organized under the laws of any State, to apply, and successfully apply, for loans from this institution, I do not see where we are going to draw the line.

Of course, we can draw the line, but it will be arbitrary. I feel that we ought to resist all of these efforts to convert this into a banking or credit institution for private corporations. It ought to be an organization for the purpose of aiding unemployment and developing those projects of the Federal Government and States and municipalities which will furnish employment to the people. It does seem to me, however, that we will invite, like a lot of vultures, from every part of the United States, organizations and corporations to come down upon this Reconstruction Finance Corporation and ask for loans; and I am afraid the primary purpose—indeed, the real purpose—for which the bill was passed will be lost sight of in the efforts which will be made and the pressure which will be brought to invade the fund, and to obtain loans in order to aid private enterprises.

Mr. COUZENS. Mr. President, I do not want to delay the Senate, but I think it would be made more definite if there were inserted on line 7 the words "on the farms of," after the word "produced," so that it would read "produced on the farms of the United States."

Mr. WALSH of Montana. Mr. President, I have not the least objection to that, except that it would make the amendment meaningless, because that is already taken care of in the measure.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment of the Senator from Montana.

Mr. JONES. Mr. President, I desire to have a telegram from the mayor of Seattle read.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

SEATTLE, WASH., June 20, 1932.

Senator WESLEY L. JONES,

Washington, D. C.:

The following resolution was unanimously adopted at a meeting of the mayors of the municipalities of Washington held in Seattle June 18:

"At a meeting of the mayors of Washington, convening at Seattle June 18, 1932, a resolution was unanimously adopted calling upon our Senators and Representatives in Congress to work for the passage of laws providing for Federal aid to municipalities and for the purchase of productive utility bonds, and approving the principles of Federal aid for public works." They made a further resolution that a copy of this resolution be telegraphed to our delegation in Congress.

JOHN F. DORE,

Mayor of Seattle, Chairman Ways and Means Committee.

Mr. WALSH of Montana. Mr. President, let it not be understood that I accept the amendment.

The PRESIDING OFFICER. The Chair understood the Senator to accept the amendment to his amendment.

Mr. WALSH of Montana. No; I did not. I said I had no objection to it, but that it would destroy the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. COUZENS] to the amendment presented by the Senator from Montana [Mr. WALSH].

The amendment to the amendment was agreed to.

On a division, the amendment as amended was rejected.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment, and ask that the same be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 106, line 8, after the figures "\$3,000,000," the Senator from Oklahoma proposes to add the following:

Provided, That the sum of \$100,000 shall be available for the construction of roads, trails, bridges, approach roads, and entrance gates in and to the Platt National Park in Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, this would not increase the amount of the appropriation, and of the \$3,000,000 provided on page 106, in line 8, it would make available \$100,000 for the Platt National Park in Oklahoma.

On page 5 of the report accompanying this bill we find that national parks are given credit in the total sum of \$1,500,000; that is, the whole number of national parks are set aside certain sums of money which total \$1,500,000. The other \$1,500,000 is not definitely allocated. The report states that \$450,000 shall be allocated to the Shenandoah National Park, and over a million to the Great Smoky Mountains National Park. So there is \$1,500,000 which may be used for those two national parks, the Shenandoah and the Great Smoky Mountains Parks.

The Platt National Park in my State has as many visitors, next to the great Yellowstone Park, as any other park. I think it is next in importance, and to date the Platt National Park has had no consideration to speak of. I think the amount of money it takes to run that national institution is about \$15,000 a year. This year we have about a \$15,000 appropriation for improvements in the park. The park has roads, but they are dirt roads, with a little sand here and there, and occasionally a little patch of gravel. It has no bridges, and it has no entrance gates. When one comes to the park he thinks he is entering an abandoned farm, or something of the kind. My amendment aims to make money available for the construction of post roads, bridges, proper gates, and so on.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HAYDEN. Has the Senator consulted the National Park Service, and has any estimate been prepared?

Mr. THOMAS of Oklahoma. Yes; the National Park Service, acting through the local superintendent, in connection with the superintendent here, has detailed plans for the expenditure of more than \$100,000. I think it is about \$135,000 they desire to spend immediately, but of course I could not ask for the money out of the general appropriation bill, out of general taxes. The plans are made, the work is ready to begin, and if the money is made available, much work of the kind that will be of benefit to the unemployed can be done at the Platt National Park, a park which serves 300,000 tourists each year, and which has had but little consideration at the hands of the Government.

Mr. HAYDEN. The Senator asks that a certain specific sum of money be earmarked for this particular park, whereas there is no earmarking in the bill indicating where the \$3,000,000 shall go.

Mr. THOMAS of Oklahoma. That is true, but there is earmarking in the report, and I take it that the authorities who are to spend the money will consider the report submitted by the committee. I simply want to put the Platt National Park along with the list of other national parks for some money out of this \$3,000,000. That is my idea.

Mr. HAYDEN. Will the Senator allow me to look at the report just a moment?

Mr. THOMAS of Oklahoma. Certainly. There are ample funds, and the funds are not allocated. If this bill is to pass, there are not many places in my State where we could get the benefit of public expenditures, and having that national park, serving 300,000 tourists annually, next to the Yellowstone National Park in importance, it occurs to me to be not out of line to ask for this consideration for this national park in Oklahoma.

Mr. HAYDEN. What is the sum the Senator asks?

Mr. THOMAS of Oklahoma. A hundred thousand dollars from this second \$1,500,000. It would not interfere with the allocations in the main itemization. The two parks, the Shenandoah and the Great Smoky, have \$1,500,000, with no definite allocation. I am simply asking that \$100,000 be taken from the second allocation of \$1,500,000, and allocated to the Platt National Park.

Mr. HAYDEN. I may say to the Senator that I can see no serious objection to the adoption of the amendment and taking it to conference, but frankly, I think the place to get the assurance for the expenditure is, as other parks have obtained their assurance, from the department itself.

Mr. WALSH of Montana. Mr. President, if I can, I would like to make an observation along the same line.

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WALSH of Montana. We have pursued the policy of making this lump appropriation, the Park Service to utilize the money wherever in its judgment the need is most imperative and urgent. I should think that the Senator ought to address his application to the Park Service, rather than to the Congress. Obviously, we are in no situation to determine which of these parks or proposed roads ought to participate in this fund, or how much ought to be allocated to each particular park. We have not the information before us that would enable us to act intelligently and justly with respect to that matter, while the Park Service has. Of course, if there had been hearings upon the matter, and the necessities of each of the parks had been elaborated before committees, we would have something upon which to act; but although I have no doubt these roads are necessary, and would be an excellent piece of work, we might be taking away the money from others where the need was more urgent and more imperative.

Mr. HAYDEN. I am aware, Mr. President, that the Platt National Park does have the distinction of being one of the parks that more people visit than almost any other in the United States. Therefore, for the accommodation of the public, the National Park Service naturally would want to see that the proper conveniences were provided in the way of roads, and so on. I can not say to the Senator, frankly, whether erecting an ornamental gate is the way to spend the money. I think the Senator is too particular in his suggestion. If a sum of money were allocated to that park for the accommodation of the public, it would be entirely all right, but to specify not only the amount but exactly how the amounts are to be spent, it seems to me is going a little too far.

Mr. THOMAS of Oklahoma. I am perfectly willing to strike out the provision for the entrance gates, and confine the amendment to roads and bridges in the Platt National Park, as this fund seems to be provided for such things. I ask leave to modify the amendment by striking out the words "and entrance gates."

Mr. HAYDEN. Why could not the Senator simply modify the amendment to provide a certain sum of money for the park, and then leave it, as every other park has left it, to the discretion of the National Park Service?

Mr. THOMAS of Oklahoma. I have no objection to that amendment.

Mr. HAYDEN. And let the matter go to conference.

Mr. THOMAS of Oklahoma. I modify my amendment so as to read, "Provided, That the sum of \$100,000 shall be available for the Platt National Park in Oklahoma."

Mr. HAYDEN. Leave it that way, and we can take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma (Mr. Thomas) as modified.

The amendment was agreed to.

Mr. COUZENS. Mr. President, I send a proposed amendment to the desk, and ask that it be read.

The PRESIDING OFFICER. The clerk will read.

The LEGISLATIVE CLERK. On page 100, line 21, after the word "law," the Senator from Michigan proposes to insert the following: "and are under regulation as to service and rates by State authority."

Mr. WAGNER. Mr. President, will not the Senator explain the amendment?

Mr. COUZENS. Certainly. This applies to section 1, in which it is provided that these loans are to be made "to States, municipalities, and political subdivisions of States, public agencies of States, of municipalities, and of political subdivisions of States, public or quasi-public corporations, and public or quasi-public municipal instrumentalities of one or more States to aid in financing projects authorized under State or municipal law."

Then I propose to add, "and are under regulation as to service and rates by State authority."

Mr. WALSH of Montana. Mr. President, let me remind the Senator that the language "quasi-public," as it appears twice in that paragraph, was stricken out last night, so that it leaves it simply loans to States, municipalities, political subdivisions, and so on, and would not extend to those organizations which are subject to regulation. I see no objection to the amendment.

Mr. WAGNER. One moment.

Mr. COUZENS. I see no objection to it even then, because in line 16 is the expression "public agencies," and I would not know whether that meant separate corporations, or what the interpretation of "public agencies" might be. Certainly there could be no harm in having it provided that any of these agencies which borrow money are regulated as to service and rates by some public regulatory body.

Mr. WAGNER. It may not be what the Senator would deem a public regulatory body. In a city where a bridge is built within the confines of the municipality, the city itself may fix the toll charge to cross the bridge, but it is not a State regulatory body.

Mr. COUZENS. I do not say that. I say, "Under said authority." The language is, "Under State or municipal law and under regulation as to service and rates by said authority"—that is, authority of the State or municipality. It does not say anything about a regulatory body.

Mr. WAGNER. Will not the Senator withhold his amendment until I may have a chance to consider it?

Mr. COUZENS. I would like to have it approved; and then if the Senator objects, I would be glad to have it reconsidered.

Mr. WAGNER. Is it not much easier to lay it aside temporarily? I want to read it and consider it in conjunction with the text. The Senator himself frequently requires a little time to consider a proposed amendment.

Mr. COUZENS. The Senator has not interposed an objection to it?

Mr. WAGNER. No; I have not.

Mr. COUZENS. The amendment can be adopted; and then if the Senator desires to have it reconsidered, I would be glad to consent to its reconsideration.

Mr. WAGNER. Very well; do it in that way.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be reported.

The LEGISLATIVE CLERK. On page 101, line 1, after the word "viaducts," insert the words "natural-gas pipe lines," so as to read:

To private corporations to aid in carrying out the construction of bridges, tunnels, docks, viaducts, natural-gas pipe lines, and waterworks devoted to public use and which are self-liquidating in character.

Mr. HAYDEN. The purpose of the amendment is to take care of a situation where a natural-gas pipe line has been constructed to carry natural gas across State lines in the Southwest—Arizona, New Mexico, and Texas—and to certain of our copper-mining camps. The line is about 500 miles long. The decline in the copper-mining industry has made it so there is no market there for natural gas. It is desired to extend that line 200 miles to Tucson and Phoenix, the two principal cities in Arizona. The nature of the country over which the line is to be built is such that trenching machines can not be used. It is too rocky for the use of such machines. This would mean the expenditure of \$2,000,000, if the loan were made by the Reconstruction Finance Corporation, and would mean putting a thousand men to work with pick and shovel. If the language already in the bill covering bridges, tunnels, docks, viaducts, and waterworks is proper, it would seem that natural gas pipe lines might also be made eligible for loans. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arizona.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Jones	Robinson, Ind.
Barbour	Couzens	Kean	Sheppard
Barkley	Dale	Kendrick	Shipstead
Bingham	Davis	King	Smoot
Blaine	Dill	La Follette	Steiwer
Bratton	Fess	Lewis	Stephens
Brookhart	Fletcher	McGill	Thomas, Okla.
Bulkeley	George	McKellar	Townsend
Bulow	Glenn	McNary	Trammell
Byrnes	Goldsborough	Metcalf	Vandenberg
Capper	Hale	Moses	Wagner
Carey	Harrison	Neely	Walsh, Mass.
Cohen	Hatfield	Norbeck	Walsh, Mont.
Connally	Hayden	Norris	Wheeler
Coolidge	Hull	Oddie	White
Copeland	Johnson	Robinson, Ark.	

The PRESIDING OFFICER. Sixty-three Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from Arizona.

Mr. LA FOLLETTE. Mr. President, I ask that the amendment may be reported.

The PRESIDING OFFICER. The amendment will be reported for the information of the Senate.

The legislative clerk again reported the amendment.

Mr. LA FOLLETTE. Mr. President, I think the Senate should consider what its policy is to be with regard to this bill before it passes upon the amendment. I had judged by the vote which was taken here on amendments offered by the Senator from Montana [Mr. WHEELER] and the junior Senator from Washington [Mr. DILL] that it is not the intention of the Senate to provide loans to public-utility corporations for the purpose of constructing works upon which they would then be able to charge the public rates. Certainly, if the Senate is to be consistent in having adopted the amendment proposed by the junior Senator from Washington [Mr. DILL] and the amendment offered by the junior Senator from Montana [Mr. WHEELER], then the Senate could not accept this amendment, because there is no more justification for loaning money to a private corporation to build a pipe line for the conveyance of natural gas to consumers than there is for making a loan for the purpose of building a power plant or transmission line or an addition to a street-railway or interurban line. The Senate seemed about ready to pass upon the amendment without any consideration, and it was for that reason I suggested the absence of a quorum.

Mr. HAYDEN. Mr. President, I discussed the amendment with the Senator from Washington [Mr. DILL]. He found no objection to it.

Mr. LA FOLLETTE. What is the difference, may I ask the Senator from Arizona, between the loaning of money to this private corporation to build a 200-mile extension of its pipe line and the loaning of money to one of the Insull subsidiaries to build a new power-transmission line in some section of the country?

Mr. HAYDEN. I will answer the Senator from Wisconsin by asking him a question. What is the difference between constructing a natural-gas pipe line and constructing a tunnel or bridge or dock or viaduct or waterworks?

Mr. LA FOLLETTE. There is considerable difference, it seems to me, because what is provided there are utilities that are to be used for a purpose where the customers, if I may use that term, will pay a return upon the investment, and not for the purpose of enabling a public-utility corporation to enlarge its facilities and its plant and equipment.

Mr. HAYDEN. There can be no difference between serving the customers of a waterworks and serving the customers of a gas line. The water company sends its water through a pipe line, and the gas company sends its gas through a pipe line.

Mr. LA FOLLETTE. That is the point I am trying to make about the amendment: If it is the intent of the fram-

ers of the legislation and if it is the intent of the Senate to grant public money to private corporations for the purpose of building plants and equipment upon which they may charge a return to the users thereof, then why should not the amendment be general in its terms and why did the Senate adopt the amendment offered by the Senator from Washington [Mr. DILL] eliminating the words "and similar projects"? There is no more justice in the claim of the Senator's pipe-line company than there could be in the claim of some other public-utility company that wants to borrow money for its purpose.

Mr. HAYDEN. The Senator's argument is directed to another provision of the bill that loans to private corporations to aid in construction of bridges, viaducts, and so on, which are self-sustaining.

Mr. LA FOLLETTE. Precisely. I agree with the Senator, so far as my own point of view may be concerned, that the section should be stricken out; but the Senate has been curtailing and cutting down the scope of that particular provision. The Senator from Arizona proposes to open it up for a particular pipe-line company that is located in his section of the country. What justification will the Senate have for not opening it up and permitting other public-utility corporations located in other sections of the country to get money for similar projects? Therefore it seemed to me the Senate ought to determine what its policy is to be on this question before it adopts the amendment offered by the Senator from Arizona.

Mr. WALSH of Montana. Mr. President, I feel like supporting the objection of the Senator from Wisconsin [Mr. LA FOLLETTE] to this amendment. It is a little difficult to draw the line, but the projects here, for which loans are authorized for the construction of bridges, tunnels, docks, viaducts, and waterworks, are all projects that are utilized by the general public.

A natural-gas pipe line is, of course, under the interstate commerce act, a public carrier, and the public may make use of it; but the number of people who make use of it is ordinarily extremely limited. The general public does not make use of a gas pipe line. I think these things merge into each other, and I rather think this amendment falls on the excepted rather than the admitted side.

Mr. HAYDEN. Mr. President, my concern was this: I saw my opportunity to put at least a thousand men to work with pick and shovel, because trench-digging machines could not be used in that rocky soil, so far as this particular project is concerned. The project, of course, would have to stand the test of being self-liquidating to the satisfaction of the Reconstruction Finance Corporation. I believe it can meet that test; I know of no other similar situation in the United States; and I felt I would not perform my duty here if I did not give people out of work in Arizona an opportunity to do a kind of work that almost any man can do. For that reason I have offered the amendment.

Mr. PITTMAN. Mr. President, I do not think that I have disagreed with the Senator from Montana [Mr. WALSH] on any phase of this measure so far, but I see quite a distinction between this case and others. I would be entirely opposed to opening the door so that public utilities could take advantage of this measure, but the natural-gas industry is a comparatively new industry, that is, in its recent rôle. It tremendously reduces the cost of fuel to the people of this country. It does not occupy the same position at all as the present public-utility companies which are to-day serving the cities and towns of this country. The pipe lines carrying gas are long pipe lines running across the country; many municipalities desire to tap them, and they tap them in most cases in competition, it may be said, with more expensive fuels. The distinction I think is this: Public utilities have franchises from cities in nearly every case. The gas pipe-line system has not obtained a franchise, but is running a trunk pipe line and it desires to enter the municipalities. The municipalities are required under contract to pay for the connecting line. They are in a condition where they can not do so, but they are willing to enter into contracts that the pipe-line companies may enter the cities and munic-

ipalities at their own expense on a fixed rate for gas, which will pay for the expense of building the project.

I can not conceive that this new movement with regard to natural gas, which I say is in competition entirely with other forms of fuel, power, and light, is in the same position as are public utilities.

Mr. WALSH of Montana. This, indeed, Mr. President, is an industry that has developed remarkably in the last few years and has furnished a very large portion of the demand that has been made upon our steel mills during the last 12 months, and it is entitled to encouragement. I wish to submit, however, that, as a rule, the gas carried in the pipes is owned by the same people who install the pipe line. They are, as I said before, obliged to carry gas that is offered by anyone, but, as a rule, they carry their own gas. So the gas pipe line is really not in any very strict sense a public institution. The rates are regulated by the State authorities, but the field in which the rates operate is comparatively narrow. The great bulk of the material carried, as I have indicated, ordinarily belongs to the company that owns the pipe line or to an affiliated company.

As I have said, Mr. President, it would be very difficult to distinguish the gas pipe line from the petroleum pipe line. If the gas carried in the gas pipe line enters into competition with other varieties of fuel, as it does, as a matter, of course, so does the crude petroleum carried in pipe lines; and I do not imagine that we are quite prepared to go into the making of loans to the owners of oil pipe lines for the purpose of promoting the installation of improvements of that character.

Mr. PITTMAN. Will the Senator yield?

Mr. WALSH of Montana. Yes.

Mr. PITTMAN. I thoroughly agree with the Senator in regard to the oil pipe lines, but to my mind there is a great distinction between the two. The oil pipe lines are used by oil companies to market their products. The general public do not utilize them. It is simply a retail business. At present, as I said before, the development and the attempt to develop the use of natural gas, which is probably the cheapest fuel in the world, is aiding communities and municipalities and individuals in the reduction of the cost of living.

The gas pipe lines, unlike the oil pipe lines, are not just simply for the purpose of transporting a fuel for retail throughout the country, but they are approaching with natural gas all municipalities, with the idea that the municipalities may obtain gas cheaper for general distribution than they can at the present time get artificial gas or electricity. I believe that there is involved competition; and I believe it is something that we should aid in introducing into this country as fast as possible.

Now, we have reached the point where these pipe lines have been built in the vicinity of cities, villages, and communities for the purpose of having those municipalities tap them, but the municipalities happen to be without funds to do it at the present time. Therefore they can not tap them. This amendment proposes that the pipe-line company shall be able to borrow money so as to tap its main line and run a connecting line into the cities and recover the cost thereby incurred by rates charged for the gas consumed at a fixed sum.

I opposed the suggestion when I first heard it, because I was thinking of electric-light plants, of the power plants which have franchises in cities and which have a fixed business; but I saw in these natural-gas pipe lines a form of competition with monopolies that now exist in the cities. I do not think that gas pipe lines are common carriers to the same extent that the oil pipe lines are. The oil pipe lines are owned by the great Standard companies, but the law requires them to take the oil from the independents; and that oil, in the long run, simply is transported as a railroad company transports commodities to market and is retailed. The gas comes from a certain field and a trunk line runs near cities and municipalities and towns, and those cities, municipalities, and towns are expected to tap it and obtain the gas in competition with other methods of producing light and power and fuel. The mu-

nicipalities are not in a position where they can do it; they have contracted to do it, but they have fallen down, and now these pipe-line companies, if they can get the money to build into the cities at the request of cities or towns or municipalities, will do it. They can not to-day borrow from the banks. The cost of the pipe line into the cities and municipalities would be amortized from the fixed rate which would be charged for the gas that would flow from the distributing lines.

If the amendment had to do with the power companies or the electric-light companies that now exist and which have franchises in the cities, I would oppose it; but I say, to my mind, the amendment would not only aid a new industry, the development of which will cheapen light and fuel to the people of this country, but would give employment to many men in the development of this new industry.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Arizona whether there are gas companies now located in Tucson and Phoenix?

Mr. HAYDEN. There are such companies, and they are required to bring the materials from which the gas is made a tremendous distance. There are neither coal fields nor oil wells in Arizona. The effect of the construction of this natural-gas line is bound to be a reduction in the cost of gas to the consumers.

Mr. LA FOLLETTE. That is the point that I wish to raise. The Senator from Nevada tries to make this amendment seem palatable because it is going to result in competition, but there is no assurance of that at all.

Mr. HAYDEN. We can assure it in the State of Arizona through the State corporation commission that fixes the rates for the sale of gas, and the rates are based upon the cost of production. If that production cost shall be greatly reduced by the introduction of natural gas, it will follow that the rate for gas will be reduced to the consumers.

Mr. LA FOLLETTE. It will follow after a long series of contests before the public utilities commission.

Mr. HAYDEN. That may be true in other States, but it is not true in Arizona. Our commission acts with great promptness.

Mr. LA FOLLETTE. Oh, yes; I am sure of that; but the fact remains, and we can not get away from it, that it is proposed to loan money out of the Treasury of the United States, in effect if not in fact, to a corporation which built a pipe line to take care of certain large industrial consumers, such as copper companies. Now the copper companies are shut down, and those who invested their money in the pipe line are anxious to extend the line to the two cities mentioned, where they may sell for domestic consumption and for manufacturing purposes in those two cities the gas which they are now unable to sell to the copper companies. I want to know, Mr. President, whether the Senate of the United States proposes to adopt that policy with regard to this bill.

Mr. HAYDEN. The test, if the Senator will pardon me, would be to strike out the entire provision that relates to loans to private enterprises for the building of bridges, viaducts, and waterworks, but the test should not necessarily be applied upon this amendment which relates to an activity which, in principle, is the same as a waterworks.

Mr. LA FOLLETTE. Ah, but we have already had a test on the proposition of curtailing and not expanding this provision of the bill, and it was decided by a practically unanimous vote of the Senate. Now the Senator comes in and proposes to open it up. I am opposed to the amendment.

Mr. PITTMAN. Mr. President, the real issue on this subject, I believe, is the issue between the loaning of money to private industry and public works; I do not think there is any question about that. The proponents of the pending bill were in favor of Government works, but not entirely Government works. They were in favor of certain characters of municipal works, and instrumentalities of municipalities, and in aid of certain private corporations.

The proponents of this bill who assisted in drafting it were, as a general thing, opposed to lending money to private

industry because it is illimitable, because it would not be possible to make enough money available, and for the further reason that where there are competitive industries, if we lent to one it would be an unfair act.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Oregon?

Mr. PITTMAN. I yield.

Mr. McNARY. There is a matter that can be disposed of in a moment, and I appreciate the Senator's yielding in order that it may be considered.

I now yield to the Senator from New Jersey.

Mr. KEAN. Mr. President, out of order, as in executive session, I should like to have action on a very important matter. Another judge is to be appointed up in New Jersey. The court calendar is overloaded. The bill has been approved by the committee.

Mr. LA FOLLETTE. Mr. President, in the closing hours of a session of Congress I am opposed to unanimous-consent agreements of this kind to take up matters out of order to pass bills that have passed the House or to confirm nominations.

I know nothing about the situation of the Senator from New Jersey. I have no objection to this particular confirmation, but I have objection to this method of procedure. I therefore am constrained to object.

The VICE PRESIDENT. The Senator from Wisconsin objects.

Mr. PITTMAN. Mr. President, as I was saying, the proponents of this bill are opposed generally to lending money to private industry for the reasons I have stated; and yet the proponents of this bill are very anxious to give as much employment as possible to the unemployed in this country where the lending of the money will be for a beneficial public use, and where it may be so limited by definitions as not to scatter out over all industry.

I want to say that the group of five Senators of whom I was one made every effort, favoring as we did as large an employment as possible on public works, to ascertain what public works were ready or could easily be made ready to be commenced, and those that would not constitute an uneconomic Government investment. In order to do that we naturally called before us, as the very first one, the director of the Stabilization Board, who was appointed under an act of Congress for the purpose of ascertaining what Government works had been authorized by Congress and were ready to be started and employ labor. What happened? He could find only \$100,000,000 worth of post-office buildings on which work could be started at once that would not involve large loss to the Government of the United States.

We had before us General Brown, the Chief of Engineers of the Army, in charge of river-and-harbor work and flood control. He could find only \$45,000,000 in addition to that appropriated that might be used immediately, or very soon, under estimates, and so forth, that would employ labor. He could find only \$15,000,000 that could be used soon for the employment of labor on Government work that was necessary at some time.

The road question had already been gone into thoroughly. The House could find only \$132,000,000 of road work, including roads in forest reserves, Indian reservations, and so forth, that could be commenced immediately, that had been estimated for, and could employ labor.

That amounted to only about \$300,000,000. We put in \$200,000,000 more, making \$500,000,000, for the purpose of anticipating things that might be developed quickly, or to lift out of the Budget things that should not be there.

I know that the Senator from Wisconsin [Mr. LA FOLLETTE] proposes a substitute carrying \$500,000,000 for Government works; but I think we will be a long, long time in getting anything like that amount of work started. As I say, I wish we could find it now, but we could not find it at all through the experts that we brought before us.

When we had gone the limit in the Government works that were ready to start and could be started soon, we

looked around to see how we could help some character of industry that was not a monopoly, that was not well established, that wished to do something for the public use, to do something. We found that there were a number of proposed tunnels under rivers, like the one at New York City; there were a number of bridges proposed; there were a number of canals; and a number of different propositions of that kind whose amortization and repayment were certain by reason of certain fixed charges, and not dependent upon taxation, always having in mind that it was a public use and always believing that it was instituting a new competition to some existing monopoly. That is the reason why we put in this clause about toll bridges, toll roads, aqueducts, and viaducts.

A number of years ago our States and our local governments got away from toll bridges and toll viaducts and toll roads; but the depression in this country, the bankruptcy of States and cities and municipalities, has compelled us to resort not only to the old system but to extraordinary methods; and if the depression lasts much longer, if we are to employ labor, we will find that we will have to go to toll bridges, to toll viaducts, to toll canals, to toll docks. The time will come, of course, when the Government will terminate that condition by condemning these things; but when we start in to study the method of finding economic employment for labor in this country through Government expenditures, it will not do to say, "We will appropriate \$500,000,000" and not know where we are going to spend it.

There is not any difference as to purpose between the Senator from Wisconsin and myself; but I say that we are going to have difficulty in finding an economic place to expend the money that we appropriate. For that reason we took in toll bridges, toll roads, toll viaducts, and these things for which we now have to resort to private capital, although years ago we had abandoned that plan of construction.

Do not cut that out. We need that expenditure. It is a good competitive expenditure. It is economic. It is furnishing transportation in this country that is essential.

When we come down to natural gas, I was opposed to including it at the start; but, to my mind, it was different from an existing power company that was furnishing light in a city. It was different even from an existing gas company that was furnishing gas in a city, which was established, and had a franchise. Here was a new industry that was picking up the cheapest fuel in the world and carrying it thousands of miles, across State after State, past city and village and municipality, which was waiting to be tapped to reduce the expenses of the people, but which could not be tapped because of the bankruptcy of cities and municipalities. There is no question but that the rates and rentals of this gas will pay for the connecting lines, but the banks will not lend the money, and I think the money should be lent to them for this purpose.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arizona [Mr. HAYDEN] to the amendment of the committee.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Johnson	Robinson, Ark.
Austin	Costigan	Jones	Robinson, Ind.
Bailey	Couzens	Kean	Sheppard
Bankhead	Dale	King	Shipstead
Barbour	Davis	La Follette	Shortridge
Barkley	Dickinson	Lewis	Smoot
Bingham	Dill	Logan	Stelwer
Black	Fess	McGill	Stephens
Blaine	Fletcher	McKellar	Thomas, Idaho
Borah	Frazier	Metcalf	Thomas, Okla.
Bratton	George	Morrison	Townsend
Brookhart	Goldsborough	Moses	Trammell
Bulkeley	Gore	Neely	Tydings
Bulow	Hale	Norbeck	Vandenberg
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh, Mass.
Carey	Hatfield	Oddie	Walsh, Mont.
Cohen	Hayden	Patterson	Watson
Connally	Hebert	Pittman	Wheeler
Coolidge	Howell	Reed	White

The VICE PRESIDENT. Eighty Senators having answered to their names, there is a quorum present.

The question is on the amendment offered by the junior Senator from Arizona [Mr. HAYDEN] to the amendment, which the Secretary will report.

The CHIEF CLERK. On page 101, line 1, after the word "viaducts," the Senator from Arizona proposes to insert the words "natural-gas pipe lines."

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote on this question, I withhold my vote.

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. KEYES]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WATSON (when his name was called). I transfer my general pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Colorado [Mr. WATERMAN], and vote "nay."

The roll call was concluded.

Mr. JONES. I have a general pair with the senior Senator from Virginia [Mr. SWANSON], which I transfer to the junior Senator from Connecticut [Mr. WALCOTT], and vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. LONG];

The Senator from Minnesota [Mr. SCHALL] with the Senator from Tennessee [Mr. HULL];

The Senator from South Dakota [Mr. NORBECK] with the Senator from West Virginia [Mr. NEELY]; and

The Senator from New Mexico [Mr. CUTTING] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 19, nays 52, as follows:

YEAS—19

Ashurst	Coolidge	Hayden	Shortridge
Bankhead	Copeland	McGill	Steiwer
Barkley	Fletcher	Oddie	Thomas, Okla.
Carey	Gore	Pittman	Wagner
Connally	Harrison	Sheppard	

NAYS—52

Austin	Couzens	Jones	Robinson, Ind.
Bailey	Dale	Kean	Shipstead
Barbour	Davis	King	Smoot
Black	Dickinson	La Follette	Thomas, Idaho
Blaine	Dill	Logan	Townsend
Borah	Fess	McKellar	Trammell
Brookhart	Frazier	Metcalf	Tydings
Bulley	George	Moses	Vandenberg
Bulow	Goldsborough	Norris	Walsh, Mass.
Capper	Hale	Nye	Walsh, Mont.
Caraway	Hastings	Patterson	Watson
Cohen	Hebert	Reed	Wheeler
Costigan	Howell	Robinson, Ark.	White

NOT VOTING—25

Bingham	Hatfield	Long	Stephens
Bratton	Hawes	McNary	Swanson
Broussard	Hull	Morrison	Walcott
Byrnes	Johnson	Neely	Waterman
Cutting	Kendrick	Norbeck	
Glass	Keyes	Schall	
Glenn	Lewis	Smith	

So Mr. HAYDEN's amendment to the amendment was rejected.

Mr. STEIWER. Mr. President, on behalf of the junior Senator from Wyoming [Mr. CAREY] and myself I offer the following amendment, which I ask to have read.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 102, between lines 13 and 14, the Senator from Oregon proposes to insert the following:

(d) The Reconstruction Finance Corporation is further authorized and directed to create for each of the 12 Federal land-bank districts a regional agricultural credit corporation with a paid-up capital of not less than \$3,000,000, to be subscribed for by the Reconstruction Finance Corporation and paid for out of the unexpended balance of the amounts allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act. Such corporations shall be managed by officers and agents to be appointed by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe. Such corporations are hereby authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used in the first instance for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock, to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Reconstruction Finance Corporation, and to rediscount with the Reconstruction Finance Corporation and the various Federal reserve banks and Federal intermediate credit banks any paper that they acquire which is eligible for such purpose. All expenses incurred in connection with the operation of such corporations shall be paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

Mr. STEIWER. Mr. President, this proposal is a very important one, but is of such a nature that I think I can explain it very briefly to the Senate.

Senators will remember that under the Reconstruction Finance Corporation act \$200,000,000 was made available or will become available to the Secretary of Agriculture for certain agricultural loans defined in that act. From this fund the Secretary of Agriculture has now loaned about \$65,000,000. In a conversation with me yesterday he told me that he anticipates that he might loan or use in collections as much more as \$5,000,000 so that the total which he has expended or will expend out of that fund is something like \$70,000,000.

The occasion for this amendment is that the Federal intermediate-credit banks of the country are now in position to make loans to farmers and to livestock operators, but the loans can not be made because there are no adequate agencies for discounting the paper with the intermediate-credit banks. In many parts of the country, due to failure of banking institutions and due generally to want of capital for this purpose, the local people are not able to organize and capitalize the credit associations necessary to enable the livestock people and the farmers to avail themselves of the facilities offered by the intermediate-credit banks. This amendment proposes merely that the Reconstruction Finance Corporation, under authority really already created and out of funds which will presently be in their hands, may set up or create the requisite agencies. It requires no new money, but it does bring facilities to farmers who now can not avail themselves of the advantages already offered by our Government under existing law.

I believe I have a right to say that the Senator from New York [Mr. WAGNER] is agreeable to the amendment. It was considered in substance before a subcommittee of the Committee on Banking and Currency some time ago, at the time we were dealing with a bill introduced by the Senator from South Dakota [Mr. NORBECK], and it was uniformly supported, I believe, and approved by the subcommittee at that time. I hope there may not be serious objection to it.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. STEIWER. Certainly.

Mr. ROBINSON of Arkansas. I am in full sympathy with the purposes of the amendment. May I ask what is the meaning of the language in line 8, page 2, "to be used in the first instance for agricultural purposes"?

Mr. STEIWER. That follows the phraseology of the existing law and is a limitation placed upon loans to be made or discounted by the intermediate-credit banks. It was placed there by the Senate drafting board, under my statement to lawyers of the Senate that I had no purpose in enlarging the provision, but rather preferred that we proceed under authority of existing law.

Mr. ROBINSON of Arkansas. One can readily understand, may I say to the Senator from Oregon, the require-

ment that the proceeds of the loan shall be used for an agricultural purpose, but the words "in the first instance" are to me confusing. The Senator's statement has not cleared the matter of the doubt.

Mr. STEIWER. I do not know whether I am competent to answer the question, but I have heard it suggested that the language was so used in order that the farmer might borrow money for the purpose of breeding or raising livestock and then that the note might be rediscounted for any other purpose. In other words, he acquired it in the first instance for an agricultural purpose but subsequently the note might be used for the purposes of the discounting agency.

Mr. ROBINSON of Arkansas. I think the explanation which the Senator has given is even more confusing than the language itself, if the Senator will pardon me for saying so. The requirement that the loan shall be for agricultural purposes is clear and has an accepted meaning. That language is employed in a number of similar acts. But the use of the phrase "in the first instance" is certainly of doubtful significance and, I think, of doubtful value.

Mr. STEIWER. I wish I could tell the Senator more definitely why that language was included. I have no objection to its elimination.

Mr. ROBINSON of Arkansas. If the Senator will yield for that purpose, I shall propose an amendment to his amendment, namely, on page 2, line 8, to strike out the words "in the first instance."

Mr. STEIWER. I will accept the amendment.

The VICE PRESIDENT. The Senator from Oregon modifies his amendment, and the question is on agreeing to the amendment as modified.

Mr. KING. Mr. President, I regret to find myself in disagreement with my friends who are supporting this bill. It seems to me the measure will be destroyed by amendments which are being incorporated within it. The result will inevitably be, if certain provisions are accepted, that either here or in the House or in conference or in the hands of the Executive it will meet defeat. As I indicated a few moments ago, the *raison d'être* for the bill is to help relieve destitution, to furnish employment to those who are without work, to expedite a public-works program, and provide for the financing of the same.

But there seems to be a disposition to pervert the object and purpose of the bill into a Federal banking organization, without the restrictions imposed upon banks, or into a huge loaning agency or instrumentality, largely to aid private corporations with impaired credit or without resources, in order that they may inaugurate profits, industrial or commercial; under the bill, and some proposed amendments, bonds and securities having no market and with uncertain value are to be unloaded upon the Reconstruction Finance Corporation; that is, the Government may, and probably will, sustain enormous losses. It is proposed that the people are to be taxed to create a fund to be loaned to all sorts of private and public organizations, to almost every conceivable corporation that may be formed. It is true that we gloss over some of these projects by saying they will help the farmers. That is a slogan sometimes adopted to secure support of measures of doubtful validity and assured impracticability. This slogan is, of course, very appealing and arouses sympathy and commands no little support.

We voted only a short time ago \$10,000,000 to create a revolving fund for the farmer. The Senator from Georgia [Mr. GEORGE], as I recall, was the sponsor of that measure. Under its terms farmers and stock growers and farm organizations may obtain loans. A few weeks ago we appropriated \$200,000,000 for loans to farmers, and from that fund \$70,000,000, as I am advised, has already been advanced to them. Extensive credits have been made to agriculture. Farm-loan banks have been organized, as well as intermediate-credit banks. The Farm Board was organized and \$500,000,000 placed in its hands to aid the farmers of the United States. Public and private loans have been made to those engaged in agriculture. And so generous has been the credit extended

that the farmers are now owing over \$12,000,000,000. They are the victims, as are millions of our citizens, of a credit system that has placed them in bankruptcy, if it has not enslaved them. Debts, public and private, have a large part in causing the deplorable conditions, economic and industrial, in which the people find themselves.

We have recently increased the taxes, a portion of which is to create the loan fund, and placed it in the hands of the Reconstruction Finance Corporation. We use the taxing power of the Government to obtain money to loan back to the people. It may be justified under some circumstances, but the soundness and wisdom of this course may raise some doubts.

The amendment calls for a vast amount of new machinery. It provides that—

The Reconstruction Finance Corporation is further authorized and directed to create for each of the 12 Federal land bank districts a regional agricultural credit corporation.

There are to be created 12 new corporations, with all the machinery and paraphernalia auxiliary to or connected with those organizations, each with a paid-up capital of not less than \$3,000,000, all to be subscribed for and paid by the Reconstruction Finance Corporation. So far as the bill intends there are to be no stockholders but the Government. It is to be the fountain from which all waters are to flow. The Federal Treasury is to be, in the last resort, the source of this gold supply that is to supply these numerous corporations which in turn are to extend credits to the agriculturists of the United States.

Mr. THOMAS of Idaho. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield for a question.

Mr. THOMAS of Idaho. Just a very brief statement. The Senator is discussing what we are doing to the Treasury of the United States. I might say to him that if we had started 20 or 30 or 40 or 50 years ago to keep the Government out of business, then his argument might be significant; but to-day, when the Government is in business everywhere, certainly the Senator is not going to stand here on the floor of the Senate and say that agriculture is going to be the one exception in America that shall not have some help.

Mr. KING. Mr. President, the question of the Senator from Idaho has been elevated into a speech.

Mr. THOMAS of Idaho. If the Senator will yield further—

Mr. KING. If the Senator wants to ask a question, I shall yield.

Mr. THOMAS of Idaho. I just want to make one further comment.

The VICE PRESIDENT. Does the Senator from Utah yield for that purpose?

Mr. KING. I prefer to yield only for a question, but I yield to the Senator anyway.

Mr. THOMAS of Idaho. The situation in the country to-day is very acute.

Mr. KING. Yes; and the Senator wants to make it more acute.

Mr. THOMAS of Idaho. The object of the amendment is to make it possible for the farmers to get some money. In the present situation, the plans proposed are tending in the right direction, but we have eliminated the one thing necessary to make these funds available to the farmer, and that is to set up the organization so he can borrow money. We are proceeding on the theory that he has the capital to start an organization, but the fact of the matter is he has not the capital, and now we are providing that capital, and that is all there is to it.

Mr. CAREY. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. KING. I yield.

Mr. CAREY. I think the Senator from Utah has overlooked one very important thing in the amendment, and that is that it does not provide for any additional appropriation. There was provided \$200,000,000 under the Recon-

struction Finance Corporation act, made available to the Secretary of Agriculture for the purpose of agricultural loans, but the Secretary of Agriculture has loaned only \$75,000,000 of that fund. This merely transfers a portion of that unexpended balance for the assistance of these banks.

Mr. KING. Replying to my friend from Idaho, as I understood him, if we sinned 30 or 40 years ago by placing the Government in business, a precedent was established and we must persist in transgression.

Mr. THOMAS of Idaho. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield for a question.

Mr. THOMAS of Idaho. Just one other comment in answer to the statement of the Senator from Utah—and that is that the amendment does not take any further money out of the Treasury. The money has already been authorized to be appropriated for the use of the Reconstruction Finance Corporation. It is money that comes out of the \$200,000,000, or the unexpended balance of the \$200,000,000 which we have already authorized for the Reconstruction Finance Corporation.

Mr. KING. Mr. President, the Senator's position is that this bill in effect commits the Government to policies and activities not authorized by the Constitution, but having transgressed constitutional limitations for many years we are warranted in continuing in our sinful way. That may be logical but it is hardly good in morals, and I do not think it sound morally, politically, or philosophically, or constitutional.

When we are convinced of past constitutional irregularities or of unsound and unwise policies that have been pursued, there should be an inclination to avoid them in the future. We read a great deal in the Scriptures about bringing "forth fruits meet for repentance," and when we have discovered errors, political, economic, or otherwise, it seems to me that the obligation rests upon us to try to avoid those errors in the future.

However, Mr. President, as I was stating a moment ago when the Senator from Idaho interrupted me, this amendment sets up 12 new corporations, it creates additional bureaucratic machinery, and also adds to the long list of more than a million of Federal officeholders. It draws upon the taxpayers of the country for its capital. It calls for taxes to raise money to loan to taxpayers. The destructive power of the Government is to be used not for governmental purposes but for private purposes. I am referring to the bill generally and not alone to the amendment under consideration. Undoubtedly if private corporations and individuals are to be the beneficiaries of this bill, and are to be permitted to indirectly employ the taxing power of the Government for their own ends, then there is greater merit in the plan contemplated by the amendment than can be found in other proposals offered for our approval.

The capital of these 12 corporations is to be supplied by the Government—not the officers of the same. The Government is the banker, the money lender, the agency that must bear all the losses incurred. The officers, managing directors, and agents of the corporations are to be appointed by the Reconstruction Finance Corporation, and it may prescribe the rules and regulations for their conduct.

Mr. President, this measure and the Reconstruction Finance Corporation act will create the most powerful and far-reaching organization ever created by the Government. It seems humanly impossible for it to successfully discharge the crushing duties and responsibilities that will rest upon it. Fortunately men of character and ability have been chosen to administer its affairs.

I am imperfectly attempting to convey the idea that the bill before us should not transcend the object for which it was designed. There is unemployment, and this should be an unemployment measure, not a bill to aid private corporations or to be a market for frozen or unsalable assets.

If we are not prudent, the bill will be broken down. It is an unwise policy to establish the Government as a banker

and money lender and to create the relation of debtor and creditor between the Government and the people.

Mr. President, I concede greater merit in the proposition to loan to agricultural associations than to many of the corporations which it has been suggested would or should be beneficiaries of this bill and receive credits from the Reconstruction Finance Corporation.

I commend to my friend from Idaho the statement, to which I have adverted heretofore, of former Senator Magnus Johnson that the evils from which the farmers as well as the majority of the people of the United States are suffering resulted from too much credit.

Money was too easy to obtain and mortgages and debts and insolvency followed. If the interpretation placed by some Senators upon this measure is adopted, there will be demands from all parts of the United States for loans, and if not denied, the funds to be provided for the Reconstruction Corporation will be diverted from construction activities which will furnish work for the unemployed. Washington will be the Mecca to which will flock representatives of broken down corporations and private organizations that need credit denied them perhaps by banks—but which it is not the province of the Government to supply.

Mr. President, let us keep this bill within the limits for which it was originally designed; let us try to employ it as a means to furnish employment to the unemployed, to construct needed public improvements, including post offices, roads, and river and harbor projects, that may furnish work for the army of unemployed.

Mr. President, I hope this amendment, at least in its present form, will not prevail.

Mr. WALSH of Montana. Mr. President, I agree with the views of the Senator from Utah that we ought to endeavor not to load this bill with extraneous matter so as to make it very objectionable, but if that implies that we have thus far offended in this particular, I am totally unable to agree with the Senator from Utah, for I think he will be unable to point out the particulars in which the bill has been expanded beyond its limits as it came from the Committee on Banking and Currency. The fact about the matter is that practically every effort in that direction thus far has been defeated.

However, Mr. President, this, to my mind, is a very meritorious amendment, and it ought to be adopted. While it does depart from the general purpose of the bill, the bill extends the powers of the Reconstruction Finance Corporation, and this is in line with that course. The Secretary of Agriculture now has at his command \$200,000,000 under the provisions of the Reconstruction Finance Corporation act for the purpose of making loans to farmers for crop production. He conceived, and I dare say it was the correct idea, that that was intended to make a very great number of loans in small amounts to farmers so that they could produce crops, they being unable to secure the usual loans from banks and from other sources available to them in ordinary times. So he has made a rule restricting the loans that may be made to any one individual to \$400. That is perfectly useless so far as the stock interests of the West are concerned. That business is carried on on such a large scale that a loan of \$400 means almost nothing; no man will ask for it at all.

Consequently so far as that branch of agriculture is concerned it gets no benefit whatever from that provision of the law.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Montana yield to me?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON of Arkansas. An analogous limitation was made in the regulations promulgated by the Secretary of Agriculture to the effect that only four tenants on any one plantation might be beneficiaries of loans, so that on large farms it is impracticable to operate under advances made in accordance with the regulations now enforced by the Secretary, and some such arrangement as this is essential in that particular.

Mr. VANDENBERG. Mr. President, will the Senator from Montana yield for a further question?

Mr. WALSH of Montana. Yes.

Mr. VANDENBERG. Is there any relationship between the rules and regulations of the Secretary of Agriculture and the amount of money at his disposal? In other words, is he undertaking by this limitation to keep the total distribution within the total amount at his command?

Mr. WALSH of Montana. Yes; he so states; but he says to the stock raisers, "Why do you not organize an agricultural-credit corporation and then negotiate your loans with the intermediate-credit banks?" The answer to that is: "We can not do that, because we can not borrow any money from the bank with which to pay for the stock in the agricultural-credit corporation." That is the situation.

In ordinary times the situation would be fully taken care of by the agricultural-credit corporations, but just now they are perfectly useless, because there can not be borrowed from the banks the funds with which to organize agricultural-credit corporations which would make the loans for stock-raising purposes to be negotiated with the intermediate-credit banks, and accordingly the appropriation so very generously made by Congress to aid agriculture affords practically no aid to that branch of it at least.

Mr. BORAH. Mr. President, I should like to ask the Senator from Montana or some other Senator who is interested in the bill a question.

Mr. WALSH of Montana. I yield.

Mr. BORAH. It seems to me that this amendment provides for a top-heavy organization. Is there any necessity, in order to aid the agricultural interests and the livestock interests, of having a corporation in every Federal land-bank district in the United States and having a set of officers and agents drawing, I presume, if we follow the precedent of the Farm Board, exorbitant salaries? It seems to me that the machinery could be simplified very greatly.

Mr. WALSH of Montana. Mr. President, I am not the author of the amendment.

Mr. STEIWER. Mr. President, will the Senator yield to me to make a brief suggestion?

Mr. WALSH of Montana. If the Senator will pardon me for a moment, I want to make this remark, if I may. It is found that it is necessary, in order to carry out the purposes of the act, to have a corporation organized with a very considerable amount of capital, in order to make the loans to accommodate the industry, and it is difficult to organize corporations of that character.

Mr. STEIWER. Mr. President, the purpose of setting up the corporation in the different land-bank districts was to create an entity which under the law would be authorized to rediscount with the Federal intermediate-credit banks. The Reconstruction Finance Corporation could hardly do that if it were merely to appoint agents in different places or appoint an agent in each of the respective land-bank districts. A separate entity will be permitted under the existing law, to take notes and rediscount them and thus have a source of money which is not Government money at all.

Of course the intermediate-credit banks are capitalized by the United States, but they sell their debentures, and this amendment will give the farmers an opportunity to secure credit which is derived from private sources.

Mr. BORAH. I understand all that; but what is the necessity of adding 12 corporations, 12 entities, in order to accomplish that purpose, with 12 sets of officers and 12 sets of agents, all drawing salaries of \$75,000 or so?

Mr. STEIWER. I realize, Mr. President, that such expenses ought to be severely curtailed, but one institution located at a central point can not serve a country of the magnitude of ours. These rediscounting agencies must be closer to the people, closer to the farm.

Mr. BORAH. But there are a number of these districts where the agricultural interests to be taken care of are not extensive, there are only five or six districts, or three or four districts really, where there are any considerable agricultural interests to be taken care of. The other portions

of the country could certainly be taken care of by one corporation.

Mr. STEIWER. There are dairying interests everywhere.

Mr. KING. Mr. President, will the Senator permit me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Utah?

Mr. STEIWER. I yield.

Mr. KING. I was about to ask the Senator from Oregon why not create an agency in intermediate banks instead of creating all this machinery with a multitude of new officers? The only employment we are going to furnish, it seems to me, under this amendment would be to a lot of officeholders we will never get rid of. The amendment creates relationship between the Government and individuals which is unwise—that of debtor and creditor.

Mr. BORAH. There is a situation which it is desirable to have taken care of, but I have learned a lesson from the activities of the Farm Board. They have created a condition which is a scandal in this country. This amendment has no limitation in it at all with reference to the salaries or anything else.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon.

Mr. CAPPER. Mr. President, I am receiving every day, and I am sure every Senator with farm constituents is receiving, appeals from home for relief from the depression. These letters, it is true, are very much alike. They point to farm prices the lowest in memory, some of them the lowest in recorded history. They point to the fact that taxes have not been reduced in proportion to farm prices. They point to the fact that debts which, when contracted, could be paid with 1,000 bushels of wheat now require 2,500 bushels of wheat to cancel the indebtedness. They point to unpaid taxes, unpaid interest, foreclosures; the farmers of this country are reaching the point of desperation.

Some of these letters point out that the present Congress has enacted legislation designed to save the railroads; designed to protect the insurance companies; designed to save the banking structure. They can not understand why nothing has been done directly to help farm prices. The letters I am receiving do not ask for donations for agriculture; but they do insist that Congress should make the attempt to protect farm prices.

Mr. President, I find myself much in agreement with the farmers who are asking Congress to take action. There are plenty of people in this country in need of foodstuffs; we hear that every day. There are plenty of people in the agricultural States and sections who need the products of manufacture and need them badly.

The Congress has been in session for six and one-half months and apparently has made no attempt directly to relieve agriculture, the basic industry of the Nation. The pending amendment introduced by the Senator from Oregon [Mr. STEIWER] and backed by the farm organizations—and I know of no better authority as to what the farmers of the country want than these organizations—offers some hope of better agricultural prices. I do not believe it will completely solve the problem of farm prices; I believe a revision of our monetary system so that money will become once more a medium of exchange rather than a commodity itself is needed. But this proposal is a step in the right direction. I say that it should be enacted. Thousands of our farmers are loaded up with debts. The plan proposed by the Senator from Oregon will be especially helpful in making it possible for the farmer to finance this year's crop production.

Mr. President, I ask permission to print in the RECORD a number of letters from farmers, showing conditions among and the ambitions of the farmers of the United States:

The PRESIDENT pro tempore. In the absence of objection, it is so ordered.

The letters referred to are as follows:

TOPEKA, KANS., May 24, 1932.

HON. ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: Much has been done to relieve banks, building associations, railways, etc., but up to the present time nothing

to help the farmer pay interest on his mortgage and his taxes and produce another crop.

Unless and until he receives some aid from our Government, no business in any line can be revived. The fault of this crisis does not rest with the farmer, but because of the fact that what he produces has so small value—brings such a small amount in dollars.

To cite a few items I am familiar with as a landowner: The best hogs here in Topeka only bring \$2.70 per hundredweight; eggs, a few pennies per dozen; butterfat, 13 cents; wheat, corn, and oats, less than the cost to produce; and alfalfa, a standard crop in our valley, \$7 per ton, the price magnanimously set by the State, as they are large buyers for dairy herds at State institutions.

With these conditions prevailing, farmers can not be purchasers of any industrial products. Neither can they receive for what they produce from the land sufficient returns to pay interest and taxes. Hence, the only way for relief, to my mind, is to increase the value of all farm products. The Strong bill to stabilize the dollar will help, but from what I read the Federal reserve bank is opposed to it. They should be relieved of their job.

You are making every effort to "balance the Budget," which is right, of course; but unless Government expenses are very greatly reduced, in another year there will be another Budget to balance.

Congratulate you on your fight for oil tax. Kansas needs it, but that is negligible in comparison with price of all farm products. Surely Congress will not adjourn without rendering aid to the farmers. Should they fail to do so, you will see sad results, as farmers and landowners have carried on to their limit.

I furnish you no news. You know all above, but being familiar with local as well as State conditions myself, wish to add strength to your hands and impress, if possible, the present great need of action that means relief to the farmer before Congress adjourns.

With personal regards, I am

Sincerely yours,

O. P. UPDEGRAFF.

RUSSELL, KANS., May 23, 1932.

Senator ARTHUR CAPPER,
Washington, D. C.

HONORED SIR: Inclosed you will please find an editorial clipped from the Daily Drovers Telegram of May 19, which makes some very startling disclosures. During the week we sold from the farm 120 dozen fine, white-shelled eggs, all handled carefully and infertile, good enough to make up part of a meal of the finest families in the land, and received for them the pitiful sum of \$9.60. We also sold nearly 20 gallons of high-grade cream, for which we received the pitiful sum of \$4.82, or 11 cents per pound for the butterfat content. We have a boy 14 years old, a big strapping fellow, who has completed common school with a record of having never been absent or tardy. He wants to go to high school, and we, his parents, want him to go, but we can not see how it will be possible to send him under the conditions as they now exist. In the event we do send him, we will have to do so at an expense of not more than \$10 cash per month. We live on a good producing farm and attend strictly to business, and find we have to skimp and save and deny ourselves at every turn in order to keep our heads above water, and even at that we know we are better off than millions of other good Americans.

I do not pretend to know how long the masses of America will stand for such tomfoolery, but I do shudder to think what the consequences will be when they do reach the limit of endurance.

Sincerely yours,

JOHN STEPHENS.

HOLYROOD, KANS., June 2, 1932.

Senator CAPPER,
Washington, D. C.

DEAR SENATOR: I have subscribed for the CONGRESSIONAL RECORD, and I am following up the work of Congress with keen interest. I have read some of the exposures of the New York Stock Exchange, and I hope you will likewise push an exposure of the board of trade; so far I have seen nothing of it in the RECORD.

Three months have passed in Congress and no great effort has been made to relieve agriculture, the root of our depression; more credit, of course, has been made available to the farmer, but that is just like giving a drowning man more water. The farmer has too much money borrowed now as it is. Of course, this additional loan will do some good in certain cases, but the farmer must be allowed to make a profit over the cost of production, if he shall ever survive.

The handwriting is on the wall; it is up to Congress to recognize it. So far Congress has failed to give agriculture any effective legislation. When you take the buying power away from 30,000,000 people that represent the farm population of the United States, that is bound to have a ruinous effect on our factories and the labor that is employed in those factories.

I am also a farmer. I have asked many farmers as to how much more money they would have spent in the past year had they money, and the answer ran from \$1,000 to \$5,000.

For instance, you will find this condition amongst the farmers in this community—floor coverings in their homes worn through to the floor; furniture old and worn out; stoves hardly fit to use; walls that need decorating; clothing they are patching and patching up to make them do; shoes likewise; instead of having several pairs they make one pair do; young men instead of buying one

or two suits each year make the old suit do; the family wash machine and the sewing machines worn out but they have no money to buy new ones; and the many other necessities of life the farmer would buy if he had the money.

Most farm buildings need paint; many farmers need new farm machinery, buildings to house their stock and implements properly; and they would buy many luxuries if they had the money. Taking for granted that every farmer would spend \$2,000 for his requirements would create \$60,000,000,000 worth more business for the eastern manufactures and would supply employment for many of the unfortunate jobless people in the eastern cities.

Can not the eastern representatives see this—or do they refuse to see the handwriting on the wall? Whom do they expect to buy their manufactured products if the farmers do not buy them? They very well know the farmers have been crying for an even break for the past 10 years, borrowing and borrowing until now he is at the end of the rope—and no Congress so far has helped the farmer in an effective way. How long would this depression last if the farmer, the cotton and grain farmer alone, would be receiving a reasonable price for their products? If the price of wheat was \$1.25 per bushel it still would be the cheapest food on earth.

Some of the eastern representatives ask us why does the farmer not organize or reduce his production like we do? A farm is not a factory; a farmer can grow farm products only when the good Lord makes them grow—for instance, this community was totally halled out for two years in succession, while other sections were hit by dry weather. The farmer must grow his crop when it will grow.

Well, they say the Government must not get into business. What is a protective tariff? It is nothing more than protection for the industries, or helping them get a better price for their products.

This same protection is what the farmer asks for protection from foreign markets. Set the price of wheat and cotton and many of the other farm commodities would follow the rise in price. Let the farmer carry the surplus is the solution. Every business in the United States is run just that way. They carry the surplus. Other business does not sell their entire production on the bases of their surplus as the farmer is compelled to do to-day. Besides there is no commodity in the whole United States but the farmers' whose price is fixed by a bunch of well-organized gamblers—and the farmer suffers the consequences. This was just recently proven again when the market went up on wheat just a few months ago, and the visible supply was greater than that is now.

Help the farmer as the Government has helped the industries for so many years with the protective tariff by setting the price on wheat and cotton on what is used domestically and let the farmer carry the surplus. This plan would not cost the Government one cent. Ten cents on each bushel consumed in this country would operate the plan—this plan would be much better than letting a bunch of gamblers set the price. They have no other motive than to make millions of dollars for themselves at the expense of the consuming public, with no intended help to the farmer.

With proper legislation a portion of the \$500,000,000 marketing act money, now used to the storing of wheat and cotton, could be returned to the National Treasury. According to the CONGRESSIONAL RECORD the National Treasury could very well use this money at this time.

As I understand it the farm organizations favor this plan of fixing the price of wheat and cotton—and prorate the selling and letting the farmer carry the surplus. I trust you will put your every effort back of such a plan—to save agriculture, which will aid the industries, and help the unemployed out of their distress.

Yours very truly,

C. C. FREVERT.

ST. JAMES, MO., June 14, 1932.

Mr. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR MR. CAPPER: We, knowing that you are much interested in seeing that agriculture is helped during this serious crisis, and being you are United States Senator from one of the greatest wheat-producing States in the Nation, I know you fully appreciate just what it means to the producers of grain in your State if they are compelled to sell their grain on the present ruinous prices that will hardly give these producers existence.

So I am not going to take up any of your time by writing you at length on this matter, but we notice to-day that they have made new lows on all of the grain markets, and with the statistics as given out by the United States Department of Agriculture we are at a loss to understand just why it is that the administration has thus far been unable to get the Federal Farm Board to take advantage of the opportunity of this crop being cut practically in half, and with the visible decreasing right along, that they have been unable to stabilize this grain on a higher level. It is causing quite a lot of unrest wherever you go and converse with farmers. So, being president of the Phelps County Farmers Association, and knowing the Senate would adjourn shortly, we sent you a day letter as per confirmation inclosed, which we feel confident you will appreciate hearing from us; and we feel satisfied you will endeavor to exert your best efforts to get some of the agricultural commodities turned on an upward trend from this

point, as we have had nothing but down trend in the past three years until our buying power is practically at the zero mark.

With kindest regards, we are, yours very truly,

PHILIPS COUNTY FARMERS ASSOCIATION.
W. S. MILLER, President.

GARDEN CITY, KANS., June 8, 1932.

Our wheat might possibly make 5 or 6 bushels per acre, with millions of small grasshoppers showing up that will possibly harvest it for us, by the looks of it now, as of 1919.

We got to have some way of getting more cash back into our communities. (This means better prices, more money in circulation, and more jobs and more buying.) Congress spent all winter helping bankers and their mistakes; now is the time the Nation should wake up and help the producer on the other end of the string.

JESS BENNETT.

CLAYTON, KANS., June 1, 1932.

There never will be a return to prosperity until the producers get a fair return for their labor. As it is now the farmers and home builders are losing their homes and land all over this Nation, and it is time to stop. But it can not be done by giving more credit to the producers, as it is the credit they have had that is now hurting. Now, see the market the past few days, the speculator shot the price down. You Representatives and Senators can make a budget to balance your account for the Government on the people, but how can the people pay when they can not get cost of what they produce with corn at 20 cents and wheat at 30 cents a bushel. Now, Senator, I know the conditions out here in my territory, and I know a lot of renters who, after they had paid for the cutting and threshing their wheat, did not have enough to pay out that the landlord might get his share. I know some of the farmers out here 18 months ago that were advised to sell their cash wheat and buy the options as it looked like wheat would go higher. It never did go higher, and trying to save themselves they lost all they have, some as much as \$5,000. If some way is not found of getting the money out through the channels of trade, through the producers, in a very short time, all I can say is, God pity this Nation.

W. T. HENDRICKSON.

WAVERLY, KANS., June 6, 1932.

One of our influential farmers has just stated to us the prices he is compelled to take for his farm products this being Mr. H. H. Terry, Waverly, Kans. Cream, 5-gallon can, nets him \$1.54; eggs, 9 cents per dozen; poultry, 8 to 17 cents per pound; hogs, choice, \$2.60 per hundredweight; cattle, \$3.50 per hundredweight; wheat, 40 cents per bushel; oats, 18 cents per bushel; corn, 30 cents per bushel; kafir corn, 20 cents per bushel; hay, \$5 per ton; wool, 6½ cents; horses, \$70.

Agricultural land is selling around \$14 to \$25 per acre in Coffey County. With a high rate of tax and the amount the farmer is receiving for his merchandise this should awaken National and State Representatives to come to our assistance.

W. J. DUFFY,
L. L. COOK.

OBERLIN, KANS., June 2, 1932.

Senator, we are very much concerned about conditions. Our wheat crop in this section of the State is light. If the price of wheat doesn't go up, it won't any more than pay expenses. If we could get a rise in the wheat price, corn prices would naturally follow and in time higher corn prices would reflect in higher hogs and higher cattle. This would help all the farmers.

A substantial rise in the wheat price would do more to bring the country out of the dumps than all the legislation in the world. We are within a few weeks of harvest. The situation is serious. If the farm board is sound and will work out eventually, it will be too late to help a great many farmers. It is imperative that they have this help now. Eggs are selling on the local market for 6 cents a dozen. Corn, 20 cents; butterfat, 11 cents; hens, 5 cents a pound; wheat 36 cents, and hogs \$2.25. Is it any wonder that the farmers are becoming radical?

ELWOOD M. BROOKS.

RECEPTION TO MISS AMELIA EARHART

Mr. BINGHAM obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield to the Senator from Oregon.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Blaine	Capper	Couzens
Austin	Borah	Caraway	Dale
Bailey	Bratton	Carey	Davis
Bankhead	Brookhart	Cohen	Dickinson
Barbour	Broussard	Connally	Fill
Barkley	Bulkeley	Cooldidge	Fess
Bingham	Bulow	Copeland	Fletcher
Black	Byrnes	Costigan	Frazier

George	Kean	Norris	Thomas, Idaho
Goldsborough	Kendrick	Nye	Thomas, Okla.
Gore	King	Oddie	Townsend
Hale	La Follette	Patterson	Trammell
Harrison	Lewis	Pittman	Tydings
Hastings	Logan	Reed	Vandenberg
Hatfield	McGill	Robinson, Ark.	Wagner
Hawes	McKellar	Robinson, Ind.	Walsh, Mass.
Hayden	McNary	Sheppard	Walsh, Mont.
Hebert	Metcalf	Shipstead	Watson
Howell	Morrison	Shortridge	Wheeler
Hull	Moses	Smoot	White
Johnson	Neely	Stelwer	
Jones	Norbeck	Stephens	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

Mr. BINGHAM. Mr. President, we are honored to-day by having in our midst an American whom all Americans delight to honor.

It has always been the proud boast of Americans that they admired and respected and honored courage and enterprise.

Amelia Earhart has the distinction of being the only person who has crossed the Atlantic Ocean twice by airplane. She has the distinction of having been the first woman to cross in an airplane. She has devoted a large part of her life to showing that flying was perfectly safe for women and that there was no reason that a woman should not be a pilot, and a good pilot. Several times she has crossed the continent alone, in her own plane or in an autogiro, in an attempt to promote American aeronautics.

Recently, as everyone knows, she has performed the remarkable exploit of having flown across the Atlantic Ocean alone. She is here for a brief visit, and, I am informed, is at present in the Vice President's room. I am sure that the Members of the Senate would like to meet her and shake her hand and offer their personal congratulations on her splendid achievement.

I move, Mr. President, that the Senate take a recess of 10 minutes for that purpose.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Connecticut.

The motion was agreed to.

The PRESIDENT pro tempore. The Chair designates the senior Senator from Connecticut [Mr. BINGHAM] and the senior Senator from Arkansas [Mr. ROBINSON] to escort Miss Earhart to the Chamber.

The Senate being in recess, Miss Earhart was escorted into the Chamber by Mr. BINGHAM and Mr. ROBINSON, of Arkansas, amid great applause from the floor and the galleries.

Mr. BINGHAM personally presented the Members of the Senate to Miss Earhart, after which she was escorted from the Chamber amid great applause; and, the recess having expired, the President pro tempore resumed the chair.

THE EIGHTEENTH AMENDMENT

Mr. FESS. Mr. President, on yesterday, when the senior Senator from Idaho [Mr. BORAH] made his eloquent address analyzing the Republican platform, and especially one plank of it, the names of two Cabinet members were used in stating, as the Senator understood it, their position on the question of repeal of the eighteenth amendment.

The Senator yielded to me to ask whether he was not mistaken in stating that Postmaster General Brown stood for repeal. I did not raise the question of Secretary Mills, because I had never talked with the Secretary on that particular subject, and did not know precisely what his position would be, other than as expressed in the convention. His position was far from the idea of repeal, as he expressed himself in the convention.

Mr. Mills has made a statement of his position on this question, and it was printed this morning in the Washington Post. Not desiring to occupy time at this stage, when we are all pressed for time, and not desiring to inject any extraneous matter, I would like to have unanimous consent to have printed in the RECORD the statement of Secretary Mills giving his position on the question.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

I am informed that in the course of his discussion of the prohibition plank adopted by the Republican Convention, Senator BORAH stated that for the last six years I had been in favor of the repeal of the eighteenth amendment. Since the Senator has referred to my position, I feel called upon to make a brief statement of my personal views. The Senator has evidently misunderstood my position. While I have not been an advocate of the eighteenth amendment, I have not believed that mere repeal is the solution. On the contrary, I have become more and more convinced that the true remedy is to be found in modifying the eighteenth amendment so as to prevent a return of the conditions which existed prior to the eighteenth amendment, and at the same time stamp out the undeniable evils that exist to-day.

As I stated to the convention, there are two extreme points of view. On the one hand, there are those who would retain the eighteenth amendment and the Volstead law unamended. This, as I understand it, is the position of Senator BORAH. At the other extreme, there are those who would repeal the eighteenth amendment without substituting anything therefor. This, as I understand it, is the position of Dr. Nicholas Murray Butler.

I do not believe that the American people should be limited to the choice of either retaining the existing system or of returning to all of the evils of the liquor traffic. I do not believe that the American people should be limited in their choice to the speak-easy or the saloon.

American statesmanship should be equal to the task of developing a new system which will preserve us from the evils which existed under unlimited State control, and at the same time free us from the grievous difficulties which have arisen under an inflexible prohibitory provision embodied in the Federal Constitution. The plank adopted by the Republican National Convention lays down the broad principles upon which such a solution can be based.

In the first place, it provides correction for the two main weaknesses of the present system; that is, its inflexibility and its departure from one of the fundamental principles of American form of government, namely, the right of local initiative and determination carrying with it a very definite sense of local responsibility. In the second place, it would provide protection for those States electing to remain dry. And, third, it would retain in the Federal Government power adequate to prevent the return of the saloon and its attendant evils in those States whose citizens determine to permit the manufacture and sale of intoxicating beverages.

It is said that the plank is indefinite. Quite the contrary. Its important provisions are set out in clear and unambiguous language. What are they?

First. Submission by the Congress to the people through State conventions duly elected by the people of a new amendment modifying the eighteenth amendment.

Second. The proposed amendment to allow States to deal with the problem as their citizens may determine, subject to the specified powers reserved in the Federal Government.

Third. Reservation in the Federal Government of the power to protect those States where prohibition may exist and safeguard our citizens everywhere from the return of the saloon and attendant abuses.

The broad principles here laid down may be summarized in one sentence—returning to the States initiative, determination, and responsibility, and retention in the Federal Government of sufficient power to attain two specifically named objectives.

Some gentlemen apparently would have had us go farther and submit a proposed constitutional amendment and even a statute carrying out its provisions. But the national convention was adopting a party platform, or declaration of principles. The convention was neither a constitutional convention nor a legislative body. It was not charged with any such duty. It is just as unreasonable to demand that this proposal be written into the platform in the form of an amendment or bill as it would be to claim that when a Republican platform declares in favor of the correction of certain abuses in our banking practices, it should present the exact language of the statutes whereby those abuses are to be corrected.

When the time comes, formulating the new amendment may give rise to differences of opinion as to how best to apply these principles. But I am sure that the Congress can write a constitutional amendment which will restore determination and a sense of responsibility to the States and retain in the Congress power to enact legislation making available Federal authority for the protection of the dry States and preventing the return of the saloon.

Mr. FESS. Mr. President, before I take my seat I want to say that I knew the position of the Postmaster General quite well, because I have talked with him very often on this subject. I have also talked with the Senator from Idaho [Mr. BORAH] on the subject. It has been a matter which has been of considerable concern here in the Capital.

I spoke to the Senator from Idaho after his address, and suggested that he omit the name of the Postmaster General. I thought the rules of the Senate would permit that, as I

had requested it, and what is printed in the RECORD is entirely satisfactory, so far as that goes. But this statement is still in the RECORD:

I will show in a few minutes that Mr. Brown was for repeal in the convention, by showing that the platform is a repeal platform.

Which would indicate that my statement to the Senator that the Postmaster General had stood against repeal was not impressive to the Senator.

The Postmaster General has made a statement, and I am going to read it. He says:

My attention has been called to a statement by Senator BORAH in the Senate to-day in effect that I favor a repeal of the eighteenth amendment and that I so stated in a conversation with him. Senator BORAH is mistaken in both particulars.

It is my practice not to discuss publicly views expressed or statements made in private conversations in which I participate, but since Senator BORAH is evidently willing to have discussed a conversation had by himself, Mr. E. A. Van Valkenburg, of Philadelphia, and myself in Washington a few weeks ago, and since Mr. Van Valkenburg makes no objection, I feel free to state just what occurred.

The purpose of the conference was to discuss the formula of a platform plank for the Republican Party favoring the resubmission of the problem of the liquor traffic. Senator BORAH stated that he was working on a plan for such resubmission, giving to the States the right to determine for themselves whether they would be wet or dry; but that he had not yet found a satisfactory method to make certain that the saloon would not return; that he hoped to complete his plan shortly and present it to the Senate before the Republican convention.

Both Mr. Van Valkenburg and I stated that we were in favor of a revision of the eighteenth amendment and that we believed that Congress could be trusted to frame the text of the proposed amendment. Neither of us favored a repeal of the eighteenth amendment, which would place the problem again precisely where it was in 1918.

At the Chicago convention, as a delegate from Ohio, I voted against the minority report of the committee on resolutions favoring a submission of repeal presented by Senator BINGHAM. I subscribe whole-heartedly to the submission of the formula suggested by the majority report which was adopted by the convention.

I have a statement, sent to me by Mr. Van Valkenburg, who was the third person in that conference. He states:

Postmaster General Brown correctly states what occurred at his meeting with Senator BORAH, at which I was present. Mr. Brown and myself were opposed to naked repeal of the eighteenth amendment and favored modification. Senator BORAH distinctly favored the submission of a plan for restoring the control of the liquor problem to the States if a method to that end could be devised which would protect the dry States and prevent the return of the saloon. He stated he was endeavoring to prepare such a plan around the central idea contained in the proposition theretofore advocated by the distinguished lawyer, William Guthrie, for the modification of the eighteenth amendment. There was no controversy over the proposition that some remedial measure should be submitted for ratification by the States under strictly constitutional procedure to correct the abuses that had grown up under the existing amendment.

I regret that Senator BORAH has made it necessary for me to publicly discuss what occurred at a private conversation.

I read these statements only because the name of the Postmaster General was injected as one standing for repeal. He has always argued to me that repeal would mean chaos unless it were followed by some remedial legislation.

Mr. BORAH. Mr. President, with reference to the able Secretary of the Treasury, it is possible that I was misled as to his position by reason of my ineptitude in understanding the English language. In 1926 the Secretary of the Treasury, who was then in private life, and I had some correspondence, which was public, printed in the New York Times particularly, with reference to the eighteenth amendment and with reference to a referendum which was then being considered in the State of New York. I stated at the time that my view of that referendum was that it proposed a nullification of the eighteenth amendment. I think it may be said that that view has since come to be very generally accepted, that the referendum proposed was in effect a nullification of the eighteenth amendment.

In discussing this question, Mr. Mills went on to state something in regard to the eighteenth amendment itself. I will read a portion of his statement, leave it in the RECORD, and the public may judge how one might easily be misled by this language used by the present Secretary of the Treasury.

In the New York Times of July 26, 1926, page 4, Mr. Mills said that the eighteenth amendment was "an object of scorn and contempt" to millions of patriotic Americans. Naturally I assumed that one who had that view of an amendment would not feel like keeping it in the Constitution, and, unfortunately perhaps, I drew the wrong conclusion from the language used. But he went on to say:

The fundamental question, of course, is whether the eighteenth amendment is to remain a part of the Constitution. There is no room here for a compromise, and ultimately the question will be settled one way or the other by the submission of whichever side proves to be in the minority. But while this is the main—

That is whether it shall remain in the Constitution—

But while this is the main, it is by no means the only, and certainly not the immediate, question. The decision is bound to be long postponed. Even if the eighteenth amendment is repealed, it will take years to do so. No one denies our deplorable situation. What are we going to do about it? "Repeal and begin afresh," says one group, with strict logic on their side.

I assume that that was an approval of those who were insisting upon repeal, and I so construed it at the time.

But this is a matter of years, and in the meanwhile must we live with this festering sore on the body politic?

Whatever else the Secretary of the Treasury may have had in his mind in regard to the eighteenth amendment, his opinion of it was certainly not one of affection. A "festering sore" would be supposed to be something to be removed.

The eighteenth amendment as interpreted and enforced by the Volstead Act has two great antagonistic forces, I may say principles, to contend with, both of which are peculiarly American. The first is the right of the individual to freedom from Government interference with his private life as long as he does not infringe on the rights of others; the second is the principle of home rule, that is, the right of the people of our States and communities to regulate their own affairs in so far as they do not affect our life and interests as a Nation. The first conflict is inherent and unavoidable and in itself is formidable enough to threaten the success of the whole experiment without, in addition, running counter to one of the most deep-seated American political principles.

Mr. President, from that I drew the conclusion that Mr. Mills was opposed to the eighteenth amendment and, as he said, that those who were advocating repeal had "strict logic on their side." I leave that with no further comment. I had no doubt in my own mind as to what the position of Mr. Mills was.

Mr. President, with reference to the Postmaster General, it will be recalled that I did not undertake to state yesterday any conversation that took place between the Postmaster General and myself. When I suggested the proposition that I believed the Postmaster General was in favor of repeal, I did not state any conversation; and when the Senator from Ohio asked me if I wanted to make the statement I had just uttered, I replied that I did, and that I had had a conversation with the Postmaster General. I did not go forward and state the conversation. I was only stating my conclusion. I uttered not a word of conversation between Mr. Brown and myself.

It all turns upon what one considers a repeal. I know that since the adoption of the platform at Chicago there has come to be a finespun theory about repeal. I understand repeal to mean when you have destroyed the fundamental principle in the eighteenth amendment, to wit, the prohibition against the sale of intoxicating liquors. When a man says to me that he is in favor of permitting the States to have the right to sell, which Mr. Brown argued every moment we sat there—

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. FESS. The Postmaster General was arguing simply for the right to submit the matter to the people and let them determine whether they wanted this or not.

Mr. BORAH. The Senator from Ohio called out this conversation, and I am willing to put my interpretation of the conversation in the RECORD, and let those believe it who wish and those disbelieve it who wish. I am going to state it as I remember.

Mr. FESS. The Senator is dealing with the conversation he had with Mr. Brown?

Mr. BORAH. I am.

Mr. FESS. I thought the Senator was speaking of Mr. Brown's position.

Mr. BORAH. No; I am speaking of the conversation.

Mr. FESS. I beg the Senator's pardon. I did not understand that.

Mr. BORAH. I said in that conversation that I had been for months undertaking to devise a plan by which to protect the States which wanted to be dry; and secondly, by which to prevent the return of the American saloon. That is precisely what I stated to Mr. Brown.

I said that I had made progress with reference to the question of protecting the States which wanted to be dry, but that I had reached the conclusion that once we legalized the sale of intoxicating liquors in the United States there was no possible way to prevent the return of the American saloon. That is practically word for word what I said. I made it clear that I could see no way to prevent its return.

Mr. Brown replied, "I think you are right. Once we legalize the sale of intoxicating liquors, I do not see how we are going to control the method of selling them." He said, "I expect to see the return of the saloon, and I would rather have it than the present condition of affairs."

Now, I ask whether or not Mr. Brown is in favor of the repeal of the eighteenth amendment? There could not be any sale unless it was repealed. We could not have the saloon unless we did repeal the eighteenth amendment. I drew the conclusion, therefore, unmistakably that he was in favor of the repeal of the eighteenth amendment and setting up what he has in a crude way set up in the platform at Chicago.

As I said a moment ago, it turns on what is considered "repeal." Let me say, too, that I do not find any fault with what Mr. Van Valkenburg said. Substantially it is what took place, but he does not state all the facts. When Mr. Van Valkenburg came to my office the next morning he said, "Senator, Mr. Brown's scheme means the return of the American saloon, and I can not go along with that proposition."

So, Mr. President, there was no question about the view of Mr. Brown as I understood it. There was no question as to the conclusion which we had all reached, that if repeal took place or sale was permitted, in all probability the saloon would come back. It is not very material about what took place. It is perhaps unfortunate even that I said that I had had a conversation with Mr. Brown. It is the only one I ever had. Perhaps I did not understand his language, but I came away from there, and Mr. Van Valkenburg came away from there, with the idea that the sale was to be permitted throughout the United States and that that would inevitably return the saloon to American life.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the concurrent resolution (S. Con. Res. 29) authorizing the printing and distribution of copies of the Federal laws relating to the veterans of various wars, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEVENSON, Mr. LAMBETH and Mr. SHORT were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal

year ending June 30, 1933, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate No. 46 to the said bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had receded from its disagreement to the amendments of the Senate Nos. 14, 15, 30, 56, and 82 to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate; also that the House further insisted upon its disagreement to the amendment of the Senate No. 77 to the bill.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and sub-contractors on public buildings, and it was signed by the Vice President.

SUPPLEMENTAL ESTIMATE OF APPROPRIATIONS—HOUSE OF REPRESENTATIVES (S. DOC. NO. 120)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, without revision, a supplemental estimate of appropriation pertaining to the legislative establishment, House of Representatives, for the fiscal year 1933, in the sum of \$25,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Oregon [Mr. STEIWER].

Mr. BORAH. Mr. President, before that is voted on, and if it is not too late, I desire to offer an amendment to the amendment.

The PRESIDENT pro tempore. It is not too late. The Senator may offer his amendment.

Mr. BORAH. On page 1, line 2, I move to strike out the words "and directed" and the words "for each," and insert in lieu of the latter words "in any," and after the word "districts" in line 3 to insert the words "where it may deem the same to be desirable," so that the paragraph would read:

The Reconstruction Finance Corporation is further authorized to create in any of the 12 Federal land bank districts, where it may deem the same to be desirable, a regional agricultural credit corporation,—

And so forth. That removes the directory provision of the bill and leaves it to the judgment of the Reconstruction Finance Corporation to create them wherever it deems necessary.

Mr. CAREY. Mr. President, in the temporary absence of the Senator from Oregon [Mr. STEIWER] I will accept the amendment to the amendment.

The PRESIDENT pro tempore. The amendment will be modified accordingly.

Mr. VANDENBERG. Mr. President, I would like to have the attention of the Senator from Wyoming a moment. I ask his attention to the final sentence in the amendment which charges all of the expenses of the operation of the new instrumentalities to the Reconstruction Finance Corporation. It is not at all clear from the language whether the Reconstruction Finance Corporation has any authority over the expenditures other than the automatic privilege of paying whatever bills are submitted. I suggest to the Senator that it would be substantially strengthening to the situation if the final sentence were amended, on page 2, line 18, after the words "shall be," by inserting the words "supervised and," so that the final sentence would read:

All expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

Mr. CAREY. I do not think there is any objection to the amendment. Corporations are set up by the Reconstruction Finance Corporation, and naturally it would have control over their expenditures.

Mr. VANDENBERG. I offer the amendment, and I understand it is agreeable to the Senator from Wyoming.

The VICE PRESIDENT. Let the amendment to the amendment be stated.

The CHIEF CLERK. On page 2, line 18, after the word "be," insert the words "supervised and," so as to make the sentence read:

All expenses incurred in connection with the operation of such corporation shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

Mr. STEIWER. Mr. President, that is acceptable to me.

The VICE PRESIDENT. The Senator from Oregon modifies his amendment accordingly.

Mr. ROBINSON of Arkansas. Mr. President, it should be pointed out that the amendment of the Senator from Idaho [Mr. BORAH], which has been accepted and incorporated in the committee amendment, works an important and very material change in the provision. As originally presented, 12 agricultural credit corporations, one for each of the Federal reserve districts, would have been set up, the provision in this respect being mandatory. With the amendment of the Senator from Idaho it is entirely discretionary with the Reconstruction Finance Corporation board as to whether any agricultural credit corporation shall be established for the purposes of the amendment, and clearly may result in sectional discrimination. The point is that one Federal reserve district in the agricultural regions may be provided with the relief contemplated by the amendment while at the same time, if the board so exercises its authority, the same relief or equivalent assistance may be denied to other Federal reserve districts. It is an important amendment and from a practical standpoint I doubt its value.

The VICE PRESIDENT. The question is on the amendment of the Senator from Oregon as modified.

On a division, the amendment was agreed to.

Mr. BLAINE. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The Senator from Wisconsin offers the following amendment, which will be reported.

The CHIEF CLERK. Insert as a new section the following:

The Comptroller General of the United States, who may act personally or through such persons as he may designate or employ, without regard to the civil service laws, shall be the comptroller of the Reconstruction Finance Corporation, with authority to prescribe the accounting system and procedure and administer the same. Payment for such service shall be made out of the funds of the corporation, and salaries of any persons appointed for such purpose shall be fixed in accordance with the classification act of 1923, as amended.

Mr. BLAINE. Mr. President, the amendment speaks for itself. The Senate will appreciate that the corporation, in case the pending bill is passed, will have under its control, as I understand, assets of about \$3,500,000,000 or more. There is no provision made for the auditing of the accounts

of the corporation. There is no business in the United States that can be conducted in a proper way without some system of auditing. The Comptroller General is the auditor for the United States respecting all other undertakings in which the Government has a financial interest, including the administration of the several departments of government. I have drawn the amendment to make the salaries of the employees to be appointed come under the classification act.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. BLAINE. I yield.

Mr. ROBINSON of Arkansas. Does the Senator recall whether there was any provision made for auditing the funds of the Reconstruction Finance Corporation?

Mr. BLAINE. There is no such provision. I attempted to amend the Reconstruction Finance Corporation bill when it was before the Senate, but the amendment which I then proposed was much broader than this and made the Comptroller General the judge respecting the legal availability of corporate funds. I have omitted here that portion of the provision of the amendment which I offered to that bill.

Mr. ROBINSON of Arkansas. This is simply a provision for auditing?

Mr. BLAINE. That is all.

Mr. ROBINSON of Arkansas. I do not see any objection to the amendment.

Mr. WAGNER. I see no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I move to strike section 8 from this bill, and for the following reason: I believe that all thoughtful persons have reached the conclusion that it is not wise nor just to create any more Federal officials. This section proposes to create a commission to be composed of 5 Members of the Senate, 5 Members of the House, and 9 other members. The nine members, neither from the Senate nor from the House, are to receive salaries of \$3,600 each per year. Each is also to receive his traveling expenses, and in subdivision (c) of this section the commission is authorized to hold hearings, employ stenographers and clerks, appoint subcommissions, and the sum of \$50,000 is proposed for printing, for stationery and messengers, and so forth.

While I do not wish to be labeled as penurious, as cheese-paring, or as penny-pinching, I do not believe that any Senator can give a valid reason why we should create a commission of 5 Senators and 5 Representatives and 9 additional members, with each of the 9 drawing \$3,600 a year with traveling expenses to go about as they see fit, spending public money *ab libitum*, willy-nilly. I therefore move that the entire provision be stricken out. The provision is as follows:

SEC. 8. (a) A commission is hereby created to be known as the Industrial Commission, and to be composed as follows: 5 Members of the Senate, to be appointed by the President of the Senate; 5 Members of the House of Representatives, to be appointed by the Speaker; and 9 other persons who shall fairly represent the various industries and employments of the United States, to be appointed by the President, by and with the advice and consent of the Senate.

(b) It shall be the duty of the commission to investigate questions pertaining to agriculture, labor, manufacturing, and business, including domestic and foreign commerce, to report to Congress from time to time, and to recommend such legislation by the various States of the Union and the Congress as will harmonize conflicting interests and be equitable to the laborer, the employer, the producer, and the consumer, and which is calculated to revive trade and promote the general welfare. Upon the completion of its investigation the commission shall submit a final report to the Congress.

(c) The commission may hold hearings and, if necessary, it may appoint a subcommission or subcommissions of its own members to make investigations in any part of the United States; and it shall have authority to send for persons and papers, to administer oaths and affirmations, and to incur necessary expenses, including expenses for clerks, stenographers, messengers, rent for place of meeting, and printing and stationery, in an amount not to exceed \$50,000 per annum for the purposes of this subdivision.

(d) The commission shall cease to exist upon the expiration of two years after the date of the enactment of this act. The salary

of each member of the commission appointed by the President shall be at the rate of \$3,600 per annum. Each member of the commission shall be allowed his actual traveling expenses.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from New York?

Mr. ASHURST. I yield.

Mr. WAGNER. I am in agreement with the Senator who makes the motion, but I was going to ask if the Senator will postpone his motion until the junior Senator from Oklahoma [Mr. GORE], who is particularly interested in this provision, shall be present in the Chamber, because it was upon his suggestion that this particular provision was included in the bill?

Mr. ASHURST. Any request the able Senator in charge of the bill should make I would yield to gracefully.

Mr. WAGNER. I am going to vote with the Senator.

Mr. ASHURST. That is an evidence of the Senator's statesmanship.

The VICE PRESIDENT. Does the Senator from Arizona withdraw his amendment?

Mr. ASHURST. I shall let the amendment be pending, to be brought up when the junior Senator from Oklahoma returns to the Chamber.

The VICE PRESIDENT. The amendment will be temporarily laid aside.

Mr. ASHURST. Mr. President, before I surrender the floor, while I do not wish to offer a motion now, I do wish, respectfully, of course, to ask some questions. I shall first ask a question of the Senator in charge of the bill [Mr. WAGNER], for whose learning as a lawyer the Senate has profound respect. It is a public calamity that he is not on the Senate Judiciary Committee, and I hope it may be so arranged that he may be placed upon the Judiciary Committee at an early date.

I inquire of the authors of the bill—and I am addressing myself particularly to the junior Senator from New York—if they are of opinion that under this bill the Reconstruction Finance Corporation is clearly granted the power and authority, in its discretion, to make loans to irrigation districts and to irrigation projects, duly authorized under the laws of any State or of the United States, or to purchase the bonds or other securities of such irrigation districts or irrigation projects organized under the laws of particular States or of the United States?

Mr. WAGNER. My view is that they are included within the provisions of the bill, because, as I understand, they are self-liquidating in character.

Mr. ASHURST. Now, Mr. President, if I may continue my rather unseemly procedure, I ask the senior Senator from Montana [Mr. WALSH] for his opinion on this question, because it is now obvious that later in the life of this bill, if it shall become a law, it is wise to have no misunderstanding on this question. I hope the Senator from Montana will not be offended because I put this bald question to him. I come from a State where we ask questions whenever we desire information. I inquire of the senior Senator from Montana, for whose learning we all have great respect, Is he of the opinion that under this bill the Reconstruction Finance Corporation is clearly granted the power and authority, in its discretion, to make loans to irrigation districts and to irrigation projects, duly authorized and created under the laws of particular States or the law of the United States or to purchase the bonds or other securities of such irrigation districts and irrigation projects so organized?

Mr. WALSH of Montana. Mr. President, I concur in that view expressed by the Senator from New York [Mr. WAGNER], to the effect that irrigation districts, being political subdivisions of the States, could secure loans under the provisions of the bill should it become a law and that the Reconstruction Finance Corporation may bid for the securities of such districts.

The question propounded to me, however, includes irrigation companies as well as irrigation districts. Irrigation companies, of course, are private in character; they would fall under subdivision 2 of section 1, providing for loans to private corporations to aid in the construction of bridges,

tunnels, viaducts, waterworks, and similar projects. That provision has been modified, however, by specifying canals and eliminating the words "similar projects." A private corporation accordingly engaged in the construction of a work of irrigation could borrow for the purpose of constructing canals. My opinion is that that would be the limit of its borrowing capacity.

Mr. ASHURST. I thank the junior Senator from New York and the senior Senator from Montana, and desire to say that their view agrees with mine.

Mr. TYDINGS. Mr. President, I wish shortly to offer a substitute for the pending bill. I do this with a great deal of reluctance, because I know that the Senator from New York [Mr. WAGNER] and his associates have tried to reconcile the conflicting viewpoints and to agree upon a bill which would probably pass the Congress of the United States and be signed by the President.

I, myself, would rather vote for a bill which provided for no loans to private corporations. I do not believe that the Government of the United States should go into the business of financing private concerns, even though their work may be the construction of quasi-public works. We have already gone pretty far in that direction; and if we do not watch out we shall have changed our whole form of government without realizing it, because certainly at this session of Congress, if I am any judge of events, we are going into Russia farther than Russia ever went into herself. The whole policy here is one of state communism, state socialism. We are financing every kind of a venture which can be conceived. Any three Members of the Senate can organize a bridge company and build a toll bridge across the Potomac and get money out of the Federal Treasury with which to do the work. I am for the public-works feature of this bill; I believe it is a fair thing; it is a proper function of government; but when we enter extraneous fields we are treading upon very dangerous soil.

Mr. SHEPPARD. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Texas?

Mr. TYDINGS. I yield.

Mr. SHEPPARD. Inasmuch as the Senator is going to offer a substitute for the entire measure, I want to offer an amendment perfecting the House text.

Mr. TYDINGS. If my substitute shall be voted down, the Senator can do that, but I will ask him to allow me to conclude my remarks, as I have to leave the city, and I am forced to offer my amendment now.

Mr. SHEPPARD. I was afraid I might not be permitted under the rules to offer it later. It will take but a moment to act upon it.

Mr. TYDINGS. I would prefer not to yield at the moment, much as I would like to accommodate the Senator from Texas.

Mr. President, another feature of this bill is that the money which we are going to spend is not going to be distributed evenly over the United States. There is unemployment and need for relief in every county in every State and in every city in the Union. I should like to see a system of roads built, grade crossings eliminated, bridges constructed, tunnels built where they may be needed, but, more than that, I should like to see this Federal relief program spread like the dew over every locality in America, and, if it shall not do that, it will leave large areas of our country with little or no relief at all.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New York?

Mr. TYDINGS. I yield.

Mr. WAGNER. Is the Senator under the impression that if some large project is constructed in the State of Maryland, then only the immediate community at the site of the construction is benefited by that particular project?

Mr. TYDINGS. Oh, no; but to answer the Senator's question more explicitly let me say, suppose for the sake of the illustration that a billion dollars were appropriated and suppose for the sake of the illustration that 75 per cent of

it were spent in Maryland, I ask the Senator from New York what chance men in California or Montana or in North Dakota would have for getting any of that work?

Mr. WAGNER. That is purely an academic question, because that is not the situation here.

Mr. TYDINGS. What is the situation?

Mr. WAGNER. The projects are distributed all over the country. Where a large project in the city of Baltimore, for instance, is undertaken, first there would be men employed at the site of construction; then there would be given employment to men who work in the factories and in the mines, located in various sections of the country, producing the materials; then all those who are working buy clothes and food, which again puts some one else to work in perhaps other sections of the country. In other words, there is an interdependence, and it is a confined and extremely provincial and narrow view to say that merely those at the site of a particular project are to be benefited by any of these enterprises.

Mr. TYDINGS. There is a great deal of force in what the Senator from New York says, but to carry his logic to its ultimate conclusion he does not care whether any of this money shall be spent in New York or not; it makes no difference whether any of it is spent in the State of New York, because New York will reap the indirect benefits from it. My position is a little more selfish than that. I want to reap my share of the indirect benefits for the State of Maryland; I want to reap my share of the direct benefits for the State of Maryland; I want every other Senator to have the same opportunity, and I do not propose to vote for a measure which affords the unemployed of the State of Maryland less of an opportunity than have the employed in any other State in the Union.

I think if we build roads, for example, and we apportion the money to the States in accordance with the Federal highway act, roads will be built in every county in every State in the Union, and every section will get a portion of it. There is unemployment everywhere; no State has been left outside the effect of the depression; no county has failed to feel the effect of the depression. In 11 States of the Union the school-teachers have not been paid for three months or six months or a year, and in Chicago the police force is not being paid. Therefore I think that in our construction program we should keep in mind the direct absorption of as much of the unemployment as possible as the first measure of relief, and then the spreading of the wages in the stores of the State or the locality where the relief work occurs is the second phase of the relief program. Obviously, to spend all the relief money in one section would help the unemployed to some extent over the whole country, but more important is the fact that it would help primarily the unemployed in the section where the work is being done, and the indirect benefits would be apt to flow to the factories in the vicinity where the work was being executed.

What business has the Federal Government to lend money to a private concern—the A B C Bridge Co. or the D E F Road Co. or the K Y Z Tunnel Co.—whose money is it? It is the money of the taxpayers of this country, who themselves want credit, who themselves want an opportunity to find some one who will finance their business, their enterprises, and help solve their own immediate problems. I am opposed to reaching into the Federal Treasury to lend money to concerns which have no relation whatsoever to governmental functions or activities.

In the early days of the present session we did make some departure. It is a regret of mine that I voted for anything more than relief to the banks which are an arm of the Federal Government, and under the supervision of the Federal Government, more or less directly; but when we go out into the field of financing railroads, insurance companies, and what not, do not let us say we have a democracy any more; it is state socialism. I have no objection to state socialism if the country wants it, but let us go into it frankly and not by halting steps, and do not let us get on the floor of the Senate and condemn the Russian system and stay here day after day and perpetuate

the Russian system in the Government of the United States, for that is exactly what we are doing.

Take a billion dollars' worth of roads: We will spend that much upon highways anyway in the next 10 or 12 years. We will spend this money on roads anyway. That is a normal governmental function for the Federal Government to execute. It will employ as many men as can be employed in any other way on public works. Every county in the State will get its just share. At \$25,000 a mile—and remarkably good roads can be built for that amount of money—40,000 miles of improved highways can be built in the United States with a billion dollars. My own State would get something like six or seven hundred miles of road. The State of Georgia would get 900 miles of road. Those roads would reach over the entire State. They would cover the entire field of America. They would reach every section of the country, and their construction would relieve to some extent the depression everywhere.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New York?

Mr. TYDINGS. I yield to the Senator.

Mr. WAGNER. Has any such road system been planned, so that all of this money can be put to work immediately in the construction of roads?

Mr. TYDINGS. Why, of course it has been planned. In every State in the Union the State road commissions have roads already planned, have programs which they have recommended for roads which have not yet been built, but which can be built provided the money is available at any time.

Mr. WAGNER. Has the Senator such information at hand to give the Senate?

Mr. TYDINGS. In what respect?

Mr. WAGNER. As to the planning of these particular roads.

Mr. TYDINGS. Yes; I have consulted with the road authorities in my own State. One of them has been recently the president of the American Highway Engineers' Association. They have worked out plans in each of the States for building additional roads if, as, and when the money is available.

Where are the plans for the bridges, where are the plans for the tunnels that are going to be built under the Senator's own bill? May I ask him if his plans have been completed? May I ask him if his bridge plans have been executed? May I ask him if his companies in all cases have been formed.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. Yes; I yield.

Mr. WAGNER. Of course the question of private companies is only a very minor portion of this whole legislation, and yet the Senator seems to emphasize that particular phase of this bill. The primary object is to help States and municipalities and public corporations; and I may say to the Senator that in many instances throughout the country the plans are all ready. As a matter of fact, in some the work has begun, and these municipalities and States and other public corporations were compelled to abandon the work because they were unable to sell the securities. Under this bill the Federal Government is to extend its credit to these public corporations and municipalities and States so that they may complete these projects, and they can not secure this credit unless they establish the fact that the projects are self-liquidating.

Mr. TYDINGS. I want to say now to the Senator from New York, without any flattery at all on my part, that I should be inclined to follow him on almost any bill for relief that he would write, because I know that more than any other man in this or the other body of Congress he has devoted his time and his talents to setting up a bill for that purpose, and I believe that if he had his way many of the provisions against which I now complain would not be in this bill.

It is my purpose to try to show the relative merit of the Government sticking to governmental functions as against the Government going into private or quasi-public functions, as proposed in the bill now pending before the Senate.

First of all, there are many roads which are too narrow. There are through highways that should be widened. There are dangerous grade crossings which should be eliminated, the railroads to pay their respective proportion of such cost. There are bridges to be built across streams. There are tunnels which would be economically sound. But over and above all, in the State of Maryland or Montana or Minnesota or what not, the relief would spread like a carpet of dew over the entire country; every section would have equal, exact, and fair treatment, have the same proportion of the public money, and there would be no discrimination whatsoever. It would be in the nature of a permanent improvement.

I can not bring myself to vote willingly for something to which I am violently opposed as a matter of principle, although I may be forced to do so in this national emergency. It is to prevent being forced to vote for a relief measure which many of us believe is unsound that I humbly offer this substitute, in the hope that many others may feel as I myself feel.

We do not know where this depression is going. We can not say that it will be over this year or next year, regardless of which party may control the Government. If it is not over, the sooner we stop lending the public money to private concerns in America, the better it will be for us and for the taxpayers who ultimately must shoulder the bill.

We certainly have had a lesson in our loans to Europe; have we not? There is fourteen or more billions of dollars which doubtless will be lost—a great deal of it, at least—for all time. Shall we pour more good, hard tax money down the rat hole, or shall we stop now, and about face, and deal with national subjects only, and not run the business of every Tom, Dick, and Harry in this country?

I want to point out that the recent tax bill which passed this body, besides all the other national taxes which the people are called upon to pay, levied an additional burden of \$1,200,000,000 annually upon the backs of people who are already in the slough of despond. How much is that? That is the equivalent of \$10 on every man, woman, and child in this country. It is \$40 of new taxation upon every family, rich or poor, employed or unemployed, in America. In the face of that fact, have we gone so mad as to take this money from such sources and lend it to private concerns, and then, in the same breath, turn from these corridors the ex-service man, and say, "We could not find the money to pay you, although we recognized the obligation by previous legislation; you must wait until 1945; but we have the money to give to private enterprise to engage in more or less doubtful projects, and perhaps never get a dollar of it, or only a part of it, back again?"

Mr. WAGNER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. I yield.

Mr. WAGNER. Does the Senator favor that portion of the bill which permits the Reconstruction Finance Corporation to make loans—

To States, municipalities, and political subdivisions of States, public agencies of States, of municipalities, and of political subdivisions of States, public or quasi-public corporations, and public or quasi-public municipal instrumentalities of one or more States to aid in financing projects authorized under State or municipal law and which are self-liquidating in character?

Mr. TYDINGS. As a matter of principle, I emphatically do not. The business of the Federal Government is not to finance either State, county, municipal, or any other kind of governments except our National Government.

I voted for the appropriation of \$300,000,000 to feed the hungry and the starving as I would vote to take care of the victims of any catastrophe. That is our business—where a locality is impoverished, to show the generous hand of charity to help keep people from perishing. But to go farther

than that, and to put the Federal finances back of the tax finances of Harford County, Md., or Dutchess County, N. Y., or the city of Salt Lake, Utah, is not our business; and the sooner we stop that sort of the thing, the sounder will be our finances in the years to come.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. Yes; I yield.

Mr. WAGNER. I should like to call the attention of the Senator to the fact that this is not a question of taxation within the municipalities, because we are limiting this, as I tried to emphasize two or three times, to projects which are self-liquidating in character; and therefore the construction of these projects does not cost the taxpayer a cent.

Mr. TYDINGS. Let me ask my good friend from New York, who is to know whether or not these things are self-liquidating?

Suppose the Senator from Kansas and I form the A B C Bridge Co. to build a bridge across the Potomac River at Mount Vernon, Va., upon the theory that instead of coming to Washington people will drive directly down the southern Maryland boulevard and cross the river there. We borrow the money from the Federal Treasury. It is loaned to the corporation. The bridge is put up. The public do not use it as we anticipated they would. The tolls will not pay the interest on the bonds. May I ask the Senator from New York who repays the Federal Government under that contingency?

Mr. WAGNER. If the projects are not self-liquidating?

Mr. TYDINGS. Yes.

Mr. WAGNER. The particular agency which borrows the money.

Mr. TYDINGS. That would be the State of Maryland, would it not?

Mr. WAGNER. That might be said about any project that is undertaken. It is necessary in some way to predict; but experience is sufficient upon which to make a very accurate calculation as to the self-liquidating character of a project.

Now, let me ask the Senator one other question, and then I will not interrupt him again.

Mr. TYDINGS. All right; I am glad to yield.

Mr. WAGNER. The municipalities and in many instances the States have had to abandon these projects and throw these large numbers of men out of employment, because during this terrific depression they were unable to sell their bonds and secure the necessary credit. Therefore all of these municipalities and States have appealed to the Federal Government to extend credit, because the Federal Government's credit is still sound, so that they may continue these projects, promising to repay the amounts of the credits by the projects themselves, so that they may put these men back to work and take them out of the bread lines, and to some extent, at least, save the tragedy of misery and hunger. Shall the Federal Government under those circumstances turn its back, as the Senator asserts, upon the appeals that have come from these municipalities to keep people employed and have them work instead of giving them charity?

Mr. TYDINGS. Has the Senator finished?

Mr. WAGNER. That is all there is to the question.

Mr. TYDINGS. The Senator can not put words in my mouth. He knows that I never contended for a moment that these appeals should go unheeded. Am I not myself standing here asking that the Federal Government expend a billion dollars in building bridges and roads and tunnels? Am I not myself advocating a means to take up this slack? But I am not advocating a means by which private concerns can get the taxpayers' money for their own good, not for the good of the entire people.

Ever since there has been a Congress we have appropriated money from time to time to build Federal highways or to improve them. In fact, the Constitution gives us the power, among other powers, to regulate interstate and foreign commerce, and again to establish a system of highways and post roads. This is a normal, real, actual, traditional govern-

mental function. When did the Federal Government ever lend money to the Senator from Georgia, for example, to build a bridge across the Suwanee River? And if Senators formed a company for that purpose, and the bridge did not pay, the Government would have no redress to get its money back.

I am not going to stand here and vote that portion of the Federal money which comes into the Treasury from the people of Maryland—who find it hard to pay these taxes—and turn it over to a lot of private contractors to build their own projects. I predict that if this bill goes through there will be some of the biggest scandals in connection with it that have rocked this Nation, because we are in a presidential year, and we all know enough about human nature to know that the desire to help those who are right with the party, both Democrats and Republicans, is a strong impulse in the politician's breast. We will find money not being loaned always upon merit, but we will find it being loaned upon political expediency, and a great deal of it will be gone for all time.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. I yield to the Senator from New York.

Mr. WAGNER. The impression the Senator apparently is trying to create is that this aid to private corporations is the major part of this bill, and I do not consider it so at all. Is that the only thing the Senator objects to in the bill?

Mr. TYDINGS. No; that is the main thing I object to in the bill.

Mr. WAGNER. Because, so far as I am concerned, that can be stricken out in an instant. I do not care anything about it.

Mr. TYDINGS. If the Senator will do that—

Mr. WAGNER. Then the Senator will have another objection, I know.

Mr. TYDINGS. No. I will say this to the Senator, that if the Senator will strike out all provision for loans to private concerns, I will vote for his bill, even though I do not like it, for the simple reason that it would not then violate any real principle of national government, in its last analysis. I do not like its philosophy, but I want to vote to alleviate the unemployment in this country. If the Senator keeps that provision in the bill, I am going to find it extremely difficult to vote for relief, when that relief is coupled with loans to private bridge companies, private tunnel companies, and other individual concerns. Whose money is to be loaned? The money of the taxpayers of this country, who can not shoulder any more burden.

I am not criticizing the Senator from New York. I know he put some of these provisions in the bill not because he thought they were wise but because he was attempting to frame a bill which could be passed at this session of Congress.

Mr. WAGNER. Mr. President, will the Senator yield again?

Mr. TYDINGS. I yield.

Mr. WAGNER. Did the Senator vote for the original Reconstruction Finance Corporation act?

Mr. TYDINGS. I did.

Mr. WAGNER. Did that not permit extension of credit to railroads?

Mr. TYDINGS. Yes.

Mr. WAGNER. And to banks and insurance companies?

Mr. TYDINGS. Yes.

Mr. WAGNER. Then the Senator should not talk about changing principles.

Mr. TYDINGS. I hope the Senator will give me the right every criminal has, the right of reform. I know this, that simply because I have done a bad thing once, in a moment of mistaken judgment, is no reason why I should do it forever. I admit my fault. I voted for it, but not with any pleasure, and with great reluctance, and had I that vote to cast over again, outside of loans to the national banks, not a dollar of that money would have been appropriated.

Nor, Mr. President, could I have anticipated the way the money was to be loaned. Had I been able to do so, it would not have had my support. All I can see that we have done is that we have not helped the railroads, we have simply become the creditor in place of Morgan & Co., or some other banking group, and it was never my thought in the world that that policy was to be pursued, at the time that act was passed.

I am sorry I voted for it. Open confession is good for the soul. I would not do it again, and I do not intend to do it again, no matter how it is dressed up or disguised. We have followed the "great engineer" enough in these unique experiments, and I have followed him the last step I intend to go in that direction.

Does that answer the question of the Senator from New York?

Mr. WAGNER. I was going to say to the Senator that, so far as I have been able to learn, he will follow the gentleman whom he designates the "great engineer," if he votes against this bill.

Mr. TYDINGS. I do not think the "great engineer" is going to veto the bill for the reasons I am uttering. As I read his interviews, the very things against which I am complaining are the very things he wants inserted in the bill. He wants more of this "pork-barrel" finance. You take a \$10,000 bunch of Treasury notes under the President's "pork barrel" finance plan.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. McKELLAR. Does the Senator approve subdivision 9, on page 108, reading as follows?—

The remainder of such sum of \$500,000,000 shall be available for expenditure upon permanent improvement projects, to be selected by the President, for which appropriations have heretofore been made or shall be hereafter made for expenditures during the fiscal year 1932 or 1933.

Mr. TYDINGS. Of course, I do not. What business has the President in selecting the projects? I know enough about the President—and this is no reflection upon him—to know that at least he has some human qualities; and being a candidate for reelection, it would be remarkable if, even without his knowledge, perhaps, political expediency did not work its way into the selection of those particular projects.

Mr. WAGNER. Mr. President, will the Senator yield again?

Mr. TYDINGS. I yield.

Mr. WAGNER. Apparently both the Senator who is addressing the Senate and the Senator who has just asked a question have an absolute misapprehension as to what the section referred to means.

Mr. McKELLAR. Evidently I have.

Mr. WAGNER. I am sure the Senator has, and I am sure the Senator does not object to being corrected.

Mr. McKELLAR. Not at all.

Mr. WAGNER. This simply gives the President the power to determine the methods by which the public projects already voted for by the Senator himself in the appropriation bills shall be financed, whether they shall be paid for out of current revenue, or whether they shall be paid for out of money secured by the issuance of bonds; but it does not give the President any power to determine what particular projects he shall undertake. He simply has the power to determine, after a project has been undertaken, according to the mandate of the appropriation bill, how the money shall be raised to pay for the project.

Mr. McKELLAR. Will the Senator yield?

Mr. TYDINGS. Mr. President, I would like to yield to the Senator—

Mr. WAGNER. Does the Senator from Maryland now understand?

Mr. TYDINGS. I think that that is not a major point. The Senator asked me if I agreed with it, and I said no.

Mr. WAGNER. The Senator had a misapprehension as to the section.

Mr. TYDINGS. No; I did not, because I have a part of it in my own bill.

Mr. President, let us take the State of New York, for example. I do not know what its proportion would be of the billion dollars. How much would it be, may I ask the junior Senator from New York, to be spread equally among the States in accordance with the Federal highway act?

Mr. WAGNER. I do not know. But will the Senator yield for a moment?

Mr. TYDINGS. I yield.

Mr. WAGNER. I hope the Senator will believe me in this, that I have not looked upon this problem as a problem of New York. I have looked upon it as a national problem, as we are experiencing a national calamity, and I hope no Senator in this body will look upon it merely as to how it may aid his particular community. We are dealing with the whole Nation.

Mr. TYDINGS. Mr. President, I had no intention at all of reflecting upon the Senator. I was simply picking out his State as an illustration of how the money would go under my amendment.

I would like to say to the Senator from New York again; and I say it without flattery, and with absolute sincerity, that I think he has worked harder on this problem than perhaps all the rest of us put together, and it is with genuine reluctance that I am forced to stand here and oppose any of a program upon which he has spent so many hours. But I believe that the road appropriation is the fairer means of dealing with this subject.

Let us take the State of New York. We will assume we have a billion dollars. I imagine that the State of New York would certainly be entitled to about 4 per cent of that amount. It is a large State in population, and a large State in area.

Mr. WAGNER. And pays 28 per cent of the taxes.

Mr. TYDINGS. Yes; and pays 28 per cent of the taxes, so that of any money that we appropriate New York is going to pay 28 cents out of every dollar; but, of course, we will pay it to New York before New York will pay it to the Federal Treasury.

Mr. WAGNER. Another evidence of the interdependence of the States.

Mr. TYDINGS. That would be a considerable sum of money, which would be turned over to the Highway Department in New York State.

New York City could get a certain amount of that money for roads and bridges and tunnels. It could build highways throughout New York, bridges over the Hudson, many improvements which have waited for sums of money. And may I say to the Senator from New York that in the next 10 years we will appropriate money anyway for this very purpose? I am only proposing to move up what we are going to do in the next 10 or 15 years while the army of unemployed needs this assistance.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield.

Mr. WALSH of Massachusetts. Is the Senator now explaining the distribution of his emergency construction fund?

Mr. TYDINGS. Roughly; yes.

Mr. WALSH of Massachusetts. I wish the Senator would state the amount of money that would accumulate in this fund, and how he proposes to distribute it.

Mr. TYDINGS. Mr. President, the first proposition in my amendment provides for a billion dollars for roads, bridges, and tunnels, to be distributed to the States of the Union in accordance with the Federal highway act.

Mr. WALSH of Massachusetts. In other words, the Federal Government is to distribute to the various States a billion dollars, each State receiving the proportion which it would receive under the terms of the Federal highway act?

Mr. TYDINGS. That is correct. That takes up the whole billion dollars.

Mr. WALSH of Massachusetts. Then the State can spend that money as it sees fit?

Mr. TYDINGS. That is right.

Mr. WALSH of Massachusetts. Is the State limited to highways?

Mr. TYDINGS. To highways, bridges, and roads, approved by the Federal Highway Commission, the same situation we now have for the expenditure of money upon highways.

Mr. WALSH of Massachusetts. Then all the Senator proposes is to enlarge greatly the annual appropriation for 50-50 highway construction in various States?

Mr. TYDINGS. The Senator is stating it accurately.

Mr. WALSH of Massachusetts. I do not understand that the States are expected to match the money they receive from the Federal Government, under the amendment?

Mr. TYDINGS. The States are not expected to match it. It takes what the Senator from New York and his conferees already have put into the bill for highway purposes—I think it is \$120,000,000—and enlarges that fund to a billion dollars.

Mr. WALSH of Massachusetts. Are the States expected ever to pay back the money?

Mr. TYDINGS. The States are not expected to pay it back, but I would have no objection to a reasonable amendment, if Senators want to make it a loan, although I am personally opposed to that. I believe we want to donate that money, give it to the States for highway purposes, because there are some States where it is impossible to collect enough taxes to pay the school-teachers. Take the State of Illinois, the city of Chicago, for instance; take the State of Mississippi, the State of Oklahoma, the State of Tennessee, or the State of South Carolina.

Mr. WALSH of Massachusetts. Mr. President, from my observation of communities which are having difficulty in raising money, it is due to a financial collapse of the credit of the communities, caused either by the taxpayers failing to pay their taxes, or by the administration of the city or local government being of such an extravagant character that the banking institutions will not give them credit. Is that the Senator's observation?

Mr. TYDINGS. That is right.

Mr. WALSH of Massachusetts. That is a difficulty with the pending bill that troubles me, but it is only a slight difficulty. I can not understand how there is going to be any benefit to States or municipalities from getting money from the Federal Treasury to undertake public works, when it is impossible for them to foresee a time when they can pay for the public works because of the necessary curtailment of expenditures they must all undergo at the present time. So I think that, laudable as the purposes of this bill are, we will be disappointed in the results that will come.

Mr. TYDINGS. May I say to those who may care to listen, let us translate this sum of money among the unemployed, and see what it means. Roughly, there are 10,000,000 unemployed, and there is to be a billion dollars. If my calculation is not faulty, that would be \$100 for every unemployed person. If every unemployed person in the United States could be put to work, there would be a hundred dollars for each one of them. Obviously, many of them will not be absorbed, but I do say this without fear of successful contradiction, that this program would reach more of the unemployed in every section of the country, and be more evenly distributed, than any other program which has been offered in this body.

What profiteth the State of New York if Massachusetts or Maryland is taken care of, and it gets only 25 per cent of what would be its proration of the appropriations under the bill? There can be no question but that the money will be spread over the entire country. If half the number estimated are unemployed, every unemployed person would have a \$200 pay roll out of this sum. I do not say the plan would be a cure, but I do say that in many sections of the country the community funds will approach what would be spent upon roads in those same communities under this bill. In

other words, public charity, for which the community will not get back a thing, will be used to take care of the unemployed, where, under this bill, there would be a road to show for it after the money had been exhausted.

Mr. President, I am going to outline briefly the amendment, but before I do that may I say that in addition to the \$1,000,000,000 there are additional appropriations to the Treasury Department of \$33,000,000; to the Veterans' Bureau, \$20,000,000; to the Inland Waterways Corporation, \$815,000; to the office of Public Buildings and Parks, \$1,250,000; to the State Department, \$1,453,000; to the Navy Department, \$25,000,000; to the municipal government of the District of Columbia, \$3,535,400, making a total of roughly \$1,400,000,000.

Mr. WALSH of Massachusetts. Mr. President, how did the Senator determine upon the particular amounts for the particular purposes?

Mr. TYDINGS. I took the report of the Stabilization Board dealing with projects which had already passed Congress, and from those projects tried to select those which in my judgment were really needed and which would furnish employment equally and which would be a rightful and fair expenditure of Government money at this time.

Mr. WALSH of Massachusetts. Are those included in the bill under consideration?

Mr. TYDINGS. Some of them are. In addition to that I provide \$10,000,000 for reforestation. That will mean the creation of new wealth by the expenditure of the \$10,000,000. We can plant different kinds of trees upon the watersheds of the country and in time reap a great deal of national wealth from that investment.

In addition to that I had the rather poetic inclusion of \$5,000,000 to plant trees along the improved highways throughout the Nation. That offers fine work. It can be spread over a vast area, because we can not or should not plant trees closer than 50 or 60 feet apart. In my judgment this would not only be a sound way to spend the money, but would add greatly to the beauty of the country while serving the needy and destitute with employment. In addition to those I have read there is \$300,000,000 for river and harbor improvements and flood-control projects. All that I have read total \$1,400,000,000 plus.

How are we going to take care of it? First of all, we create a bond issue of \$1,500,000,000. We create that issue upon the serial annuity plan. That means that it is to be paid back in 10 equal installments of \$150,000,000 a year every year for 10 years plus the interest on the outstanding bonds. The maximum amount in any year necessary as an average to retire the principal and interest would be \$200,000,000. We could take care of that during the next 10 years without a great deal of difficulty. So much for that. It is paid off one-tenth each year for 10 years.

Would any Senator like any further information on that part of the subject before I leave it? The bond issue is created and paid off in 10 equal annual installments.

Mr. WALSH of Massachusetts. Is the bond issue self-liquidating?

Mr. TYDINGS. No; it is not self-liquidating. I do not want to inject a foreign matter into the debate. I would like very much to insert a provision to pay for it with revenue derived from a tax on beer; but I know there are many Senators who would not subscribe to that plan. I have made that fight three times; but I say here and now that if one Senator who voted against the revenue tax on beer before will rise in his place and tell me he will vote for it as a means of liquidating these bonds and for the relief of unemployment, I will make the fight all over again; but unless some Senator has changed his mind I can see no good in wasting the time of the Senate in making that contest all over again.

Mr. WALSH of Massachusetts. Let me remind the Senator of the change of sentiment in the House.

Mr. TYDINGS. Yes. I know it is silly, but let me say in passing that there is not the slightest doubt in my mind that at the next session of Congress we will tax beer. The Republican platform, just adopted by a great political party, comes out practically for more than beer, and I ought to

have the support of every Senator who sits on the other side of the aisle to tax beer now and put these people to work rather than to have millions upon millions of dollars wasted in community funds, doles, charity, for which the American Government, the States, and the cities will not have a single thing to show. By getting that tax now we could build any number of useful things in the United States and make the waste of these community funds unnecessary.

But politics being what it is, I despair, notwithstanding the Republican Party, as will the Democratic Party, has gone on record in opposition to present-day prohibition, of getting a single, solitary vote. The bootlegging element will have six or eight months more to have the only untaxed business in America. While three-quarters of a million farms have been sold under mortgage foreclosure and for delinquent taxes, while 5,000 banks have failed, while 10,000,000 people are unemployed, and State and city governments are breaking down, school-teachers and policemen and firemen are not paid, every other business in America is taxed, and now we have a new tax bill of \$40 per family in addition to the other Federal taxes, and yet here we sit unwilling to meet this great issue now and run the chance of lighting the fires of revolution when the cold days of next winter fall upon us.

But I do not want to go into that question again. I would be glad to offer that amendment. In fact, it was incorporated in the amendment which I have had printed, but I have stricken it out. If I knew there was just one Senator more than the 26 who voted for it before who at this time would lend it his aid or support, I would offer it again. Not knowing any such Senator, not seeing any Senator rise in response to my inquiry, I presume that fight would be futile. If I could get the amendment adopted, the money to liquidate the bond issue would all be provided and there would be no unprovided-for additional obligation upon the Federal Treasury.

Mr. President, it is also provided, as in the amendment which was adopted to-day offered by myself earlier in the session, that in the employment of labor in connection with any projects provided for under my proposed substitute, preference shall be given to the ex-service men or their dependents.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Maryland yield to the Senator from Iowa?

Mr. TYDINGS. I yield.

Mr. BROOKHART. In the amendment as it stands, has the Senator left out his beer tax?

Mr. TYDINGS. Yes.

Mr. BROOKHART. I think probably he has gained one vote by so doing.

Mr. TYDINGS. I am glad to hear that. If the Senator had changed on another matter before the last primary, I think he would have gained a lot more votes, too. [Laughter.]

Mr. BROOKHART. Upon that proposition I had one man running against me, who talked just like the Senator from Maryland. He got 11,000 votes out of a total of 400,000.

Mr. TYDINGS. When the Senator runs again, he will find that all of his opponents will be talking like the Senator from Maryland.

Unless there is some question to be asked I shall not take the time of the Senate further in discussion of the amendment. The substitute provides for roads instead of loans to small private or semiprivate corporations. I think we have gone pretty far in the way of State communism or State socialism, if we want to call it that. I hope no Senator who advocates loans to private concerns hereafter will rise in this body and denounce Russia, because it looks to me like Russia is coming out of that situation; that we are going into it double time, while she walks slowly out. Our whole system of government is changing right before our eyes. We are making new history, taking Government money and throwing it away to private concerns everywhere. The Govern-

ment has gone into the business of doing everything. The Government is no more a governing concern. It is a gigantic bank where everybody who can tie up some sort of quasi-public undertaking can come and tap the till and get money for his enterprise under the benediction of the Federal Government.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Alabama?

Mr. TYDINGS. I yield.

Mr. BLACK. The Senator has stricken out part of his amendment as printed?

Mr. TYDINGS. I struck out section 2 and section 3.

Mr. BLACK. May I ask the Senator if the bill as it is written contemplates the expenditure of any sum for the building of highways, bridges, and tunnels?

Mr. TYDINGS. No.

Mr. BLACK. I notice an appropriation here to the Treasury Department, for instance.

Mr. TYDINGS. There is \$1,000,000,000 for roads, \$300,000,000 for flood control and rivers and harbors, and about \$100,000,000 to a condensed selected number of buildings.

Mr. BLACK. May I ask the Senator what method of selection of building sites is to be adopted under the measure?

Mr. TYDINGS. Under what appropriation?

Mr. BLACK. For instance, under the Treasury Department.

Mr. TYDINGS. The Treasury Department plan was taken in full. There are customhouses and things like that which have already been provided for.

Mr. BLACK. Then, as I understand it, the sites for all the public buildings for which provision will be made under the Senator's amendment have already been selected, and it would not be left to the administration to determine the location?

Mr. TYDINGS. That is right.

Mr. BLACK. So that the entire \$1,500,000,000 would be used, \$1,000,000,000 for highways and the remainder for public buildings?

Mr. TYDINGS. There would be \$300,000,000 of the remainder for flood control and river and harbor projects, and a little short of \$200,000,000 for a selected group of buildings already authorized and which are to be built shortly.

Mr. BLACK. I shall vote for the Senator's substitute.

Mr. TYDINGS. Mr. President, I offer this now as a substitute for the Wagner bill.

The PRESIDING OFFICER. The amendment has not been read to the Senate.

Mr. TYDINGS. Yesterday I had it printed in the RECORD, and I shall be glad to have it read now. It is not long.

Mr. FLETCHER. Mr. President, before the substitute is offered, the bill pending is subject to perfection, and an amendment to the bill is in order before the question of a substitute can be placed before the Senate. I have an amendment to offer to the bill.

Mr. TYDINGS. As I understand it, after committee amendments are adopted, an amendment in the nature of a substitute is in order.

Mr. FLETCHER. I do not think the substitute is in order yet.

The PRESIDING OFFICER. The committee amendment is a substitute for the House text.

Mr. TYDINGS. I offer my amendment as a substitute for the committee amendment.

Mr. FLETCHER. But the committee amendment can be perfected before the substitute is in order.

The PRESIDING OFFICER. The amendment of the Senator from Florida is in order.

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TYDINGS. Then my amendment is not in order at the present time?

The PRESIDING OFFICER. It is in order, but other amendments may be made perfecting the text of the committee amendment.

Mr. TYDINGS. Then my amendment will be pending when general amendments, so called, are disposed of?

The PRESIDING OFFICER. That is correct.

Mr. FLETCHER. Mr. President, this morning I offered an amendment, which I discussed, and I shall not discuss it further at this time. I withdrew it for the purpose of changing the verbiage to some extent, but especially to make it applicable to another part of the bill. I offer the amendment now. I do not care to discuss it.

Mr. KING. Let the amendment be reported.

The PRESIDING OFFICER. The amendment will be reported.

The CHIEF CLERK. On page 103, after line 19, insert the following:

(b) The first sentence of the second paragraph of section 5 of the Reconstruction Finance Corporation act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"Provided, That the corporation may make loans under this section to any building and loan association upon its unsecured evidence of indebtedness in States where there is no statutory or implied authority for such association to pledge or assign the notes or mortgages of its borrowing members as security, but in such cases no loan shall be made to any such building and loan association the amount of whose liabilities (not including liabilities on account of loans from the Reconstruction Finance Corporation) exceed 25 per cent of its assets at the date application for such loan is made."

On page 103, line 14, after the section number insert "(a)."

Mr. WALSH of Montana. This amendment authorizes loans to be made to building and loan associations without any restriction whatever as to the purpose for which the money borrowed shall be applied. A building and loan association could utilize the money which it borrows from the Reconstruction Finance Corporation for the purpose of taking up outstanding obligations of one kind or another, but it would give rise to no new construction at all. That is not at all in keeping with the purpose of this bill, and I therefore think the amendment ought not to be adopted.

Mr. COUZENS. Mr. President, I think the position taken by the Senator from Montana is correct, that if the Reconstruction Finance Corporation act is to be amended so as to provide for this kind of loans, it should be done in a separate measure such as the Senator from Florida [Mr. FLETCHER] first introduced. It should be done by a bill to amend the Reconstruction Finance Corporation act so as to permit such loans.

However, in addition to that, I want to point out that in this amendment there is no safeguard against a building and loan association contracting any kind of debt after it has secured a loan from the Reconstruction Finance Corporation. In other words, the Senator from Florida by the amendment attempts to provide that no loans shall be made to such an association if its debts exceed 25 per cent of its assets, and yet after the loan shall be made its debts may exceed 75 per cent of its assets, and therefore the Reconstruction Finance Corporation would have no security at all.

So, Mr. President, in view of what the Senator from Montana has stated, and in view of the form of the amendment, I think it is the most hazardous and unjustifiable amendment which has been proposed to the pending bill.

The PRESIDING OFFICER (Mr. Fess in the Chair). The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. FLETCHER. Mr. President, I only want to say a few words.

This amendment contains the same restrictions as to the purposes to which the money may be applied as are contained in the original act which provides for loans to building and loan associations. The Reconstruction Finance Corporation, however, found that in certain States building and loan associations are not entitled to borrow money because they can not pledge their assets. The amendment would allow such building and loan associations to borrow to the extent therein provided, under the same restrictions as to the use of the money and the application of the loans as are contained in the original act. I am not going to take the time of the Senate to discuss the question any further.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Florida.

The amendment was rejected.

Mr. SHEPPARD. Mr. President, I offer an amendment to the House text. It proposes to insert a project in the rivers and harbors section which would have been inserted in the other House but for the fact that the report of the Government engineers did not reach that body before the bill was passed there.

The PRESIDING OFFICER. The amendment proposed by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. On page 66, after line 16, it is proposed to insert:

Port Aransas, Tex.: Rivers and Harbors Committee Document No. 35, Seventy-second Congress.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Texas.

The amendment was agreed to.

Mr. COUZENS. I offer the amendment which I send to the desk. It is intended as an effort to define what a "self-liquidating corporation" is, and I request the attention of the Senator from California to the amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Michigan will be stated.

The CHIEF CLERK. On page 101, line 3, after the word "character," it is proposed to insert:

Provided, That liquidation shall take place within a period of 30 years. It shall be the duty of the Reconstruction Finance Corporation to see that fees, tolls, or other charges are adequate to pay all operating charges, interest, and principal, within said period.

Mr. COUZENS. Mr. President, the definition contained in the amendment which I have just offered is the best definition of a "self-liquidating corporation" that I have been able hurriedly to prepare. There is not a word in the bill anywhere defining what the "self-liquidating corporation" is.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Michigan.

Mr. WALSH of Montana. Mr. President, I understand the purport of the amendment offered by the Senator from Michigan to be that whatever bonds or other securities are taken for such loans must mature within 30 years?

Mr. COUZENS. That is correct; that is the purport of the proposed amendment.

Mr. JOHNSON. Mr. President, I think the Senator from Michigan is mistaken in saying that there is no description, no definition of a "self-liquidating corporation" in the bill. As I read it, there is a perfect description of a self-liquidating activity. I turn to page 101, line 8, and read as follows:

For the purposes of this subdivision a project shall be deemed to be self-liquidating if such project will be made self-supporting and financially solvent, and if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

In what fashion does the definition proposed by the Senator from Michigan improve the definition in the bill?

Mr. COUZENS. Mr. President, it specifies the number of years in which the project is to be liquidated, and it places responsibility upon some one to see that it is liquidated within that period of time and that the tolls or other charges are fixed on that basis.

Mr. JOHNSON. That is a very different proposition from what was suggested. The suggestion of the Senator from Michigan was that he was presenting a definition of a self-liquidating project and that there was no such definition in the bill.

Mr. COUZENS. Mr. President—

Mr. JOHNSON. If the Senator will pardon me for a moment, there is a definition in the bill which is in itself perfect. Whether one agrees with it or not is a different proposition.

Now, what the Senator from Michigan seeks to do is to put in the bill, in addition to the definition, not a definition at all but a qualification that some one in authority shall determine that the tolls, rental charges, and the like, shall do the job as described in the bill. Personally, I have

no particular objection to that; but I do think that it is erroneous to fix a specific time limit. That will be determined within the discretion of the Reconstruction Finance Corporation, and I would not like to have a hard and fast rule in regard to that specific point. I have only heard the amendment read, and I may do the Senator an injustice by trusting to my fallible memory; but when the Senator provides in the amendment that some one shall determine the question of whether the charges, tolls, and the like, will perform within a reasonable time the function of paying the entire amortization cost, that seems to me to be also provided by the bill in question, in the paragraph which I read a moment ago, namely:

For the purposes of this subdivision a project shall be deemed to be self-liquidating if such project will be made self-supporting and financially solvent, and if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

I ask the Senator from Michigan if he will do me the kindness to read his amendment.

Mr. COUZENS. I wish to say to the Senator from California that I stand corrected in the statement I made that this was a definition of a self-liquidating corporation.

Mr. JOHNSON. That is of no significance.

Mr. COUZENS. I should have said that it was a qualifying or clarifying provision. The amendment provides substantially what the bill provides, only the amendment sets up an agency to see to it that the definition is carried out and that the period in which it is carried out shall be limited to 30 years.

Mr. JOHNSON. Now, let us see. On page 101, line 3—

Mr. COUZENS. After the word "character."

Mr. JOHNSON. After the word "character," which is prior to the definition that is contained in the bill, the amendment proposes to insert the words:

Provided, That liquidation shall take place within a period of 30 years. It shall be the duty of the Reconstruction Finance Corporation to see that fees, tolls, or other charges are adequate to pay all operating charges, interest, and principal within said period.

It will be realized that the bill already contains a provision reading:

And if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

Strip the amendment of the Senator from Michigan of what is already definitely provided, and there is just one thing in it, and that is that the liquidation shall take place within a period of 30 years.

Mr. WAGNER. Mr. President, I quite agree with the Senator from California. The only modification which the Senator from Michigan proposes is to substitute for the words "within a reasonable period" the words "30 years." In other words, instead of leaving to the Reconstruction Finance Corporation the determination of what is a reasonable time within which the liquidation shall take place the Senator from Michigan proposes to fix such reasonable time at 30 years. It will be in a way a suggestion to the Reconstruction Finance Corporation that they may very well spread this period over 30 years, where otherwise they might demand that liquidation take place in a less time.

Mr. JOHNSON. Mr. President, amplifying what has been said by the Senator from New York, it might well be that a certain kind of self-liquidating corporation or activity could be paid out in 10, 15, or 20 years, as the case might be. It might well be that some other kind of self-liquidating corporation could not be paid out in 20, 25, 30, or 35 years, as the case might be. So, I think that the authors of this bill very wisely left the discretion with the Reconstruction Finance Corporation of determining within a reasonable period whether or not by means of tolls, fees, rents, or other charges the construction loan thereon will be returned.

Mr. KING. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. KING. If the Senator from New York is correct, the amendment offered by the Senator from Michigan relates only to the duration of time within which the debt must be paid. That could be met by adding after the word

"period," the words "not exceeding 10 years"; but as I remember the amendment as it was read by the Senator the obligation rests upon the Reconstruction Finance Corporation to see to it that the tolls or other sources of income of a project which has received financial aid from the Government shall be paid at stated periods; that is, they shall exercise a supervisory care during the period of the life of the loan.

Mr. JOHNSON. May I say to my friend from Utah that the bill does all in that regard, omitting the term of years, that the amendment of the Senator from Michigan seeks to do because the bill provides, I repeat—

Mr. COUZENS. Mr. President, if the Senator will yield to me, I should like to correct the amendment.

Mr. JOHNSON. I yield.

Mr. COUZENS. I ask unanimous consent to withdraw the amendment in the form in which I submitted it, and to offer the following amendment.

The PRESIDING OFFICER. The Senator from Michigan has that right.

Mr. COUZENS. On page 101, line 12, I propose an amendment so as to make the provision read:

Returned within a period of not more than 30 years by means of tolls, fees, rents, and other charges.

Mr. JOHNSON. Now let me state first to the Senator from Montana what that does. All that it does is to substitute for "within a reasonable period" the term of 30 years.

Mr. COUZENS. Not more.

Mr. JOHNSON. Not more than 30 years. That is all it does. So the question reverts now to whether or not the language in the bill, proposed by its authors, of "within a reasonable period" should be stricken out and in lieu thereof should be inserted "not more than 30 years." I submit that with a measure of this sort, "within a reasonable period," leaving the discretion to the Reconstruction Finance Corporation, is preferable to fixing a definite number of years.

Mr. WALSH of Montana. Mr. President, without intending to signify my approval of the amendment proposed by the Senator from Michigan, I suggest to him that the end he seeks to accomplish would be subserved perfectly by just inserting after the word "period" the words "not exceeding 30 years."

Mr. COUZENS. That is my new amendment. I withdrew my old amendment.

Mr. WALSH of Montana. Yes. Under this you would strike out nothing whatever. You would just insert, after the word "period," the words "not exceeding 30 years," so that it will read:

Returned within a reasonable period, not exceeding 30 years.

Mr. COUZENS. I accept that. That is as I intended.

Mr. WAGNER. Mr. President, may I suggest that if that is done we may do an injustice somewhere, we do not know where. We have not sufficient information. It may very well be that a project which will be self-liquidating in time may require more than 30 years to liquidate the entire indebtedness. I mean, I think it unwise to state an arbitrary period if we are going to entrust a body with discretionary power in this whole matter.

May I ask the Senator upon what particular experience he bases the fixation of 30 years as the maximum period for the liquidation of any of these projects?

Mr. COUZENS. Mr. President, when I was a member of the Committee on Commerce we had a great deal of difficulty with bridge bills. Private bridges were being built to connect up Federal highways; and it was decided that these bridges should not be permitted to continue in perpetuity collecting fees from the public, without a terminating period. So the franchises to build these bridges were granted with the idea that they would be liquidated within a certain period and then returned to the public. Numerous amendments were put in bridge bills to that effect; and it was that experience that led me to the conclusion that we ought to have some period of termination for these bridges and

other public activities which the Government is going to finance.

Mr. WAGNER. Mr. President, so far as I am concerned, if the Senator is desirous of fixing a limit, I have no objection.

Mr. JOHNSON. Mr. President, I decidedly object to fixing an arbitrary limit of 30 years. I do that without a complete knowledge of the limitation that may be put upon bond issues that already have been voted. My recollection is that they are for a longer period, with regular amortization and the like; and I can see no reason for limiting the discretion of the Reconstruction Finance Corporation.

I can see the possibilities only of injustice, and perhaps peril, from a limitation in terms of this sort. I do not see that anything will be accomplished when the responsibility is designed by this measure to be put with the Reconstruction Finance Corporation, and then that responsibility we temper or we limit or we circumscribe with a limitation of 30 years. For that reason I think that it ought not to be adopted, but that the language is better as employed in the bill.

Here is an example of what we are doing in this bill, too, with due deference to my friend here, who is very much interested in the bill, as I am, and who is anxious to see a relief bill passed, I assume, just exactly as I am. Here is what we do:

Out of the blue comes an amendment. Until now we have not had the opportunity to investigate it, study it, or determine whether or not it will do an injustice anywhere. Suddenly it comes upon this floor. No reason is given except the general reason, which I concede to be good, that the limitation on bridges under certain circumstances might be made, and the like; and we are required now to vote upon that limitation, when with some degree of care—it would seem to me a degree of meticulous care—the authors of this bill have written into it that there shall be a reasonable discretion exercised by the Reconstruction Finance Corporation, and that the corporation shall decide whether or not within a reasonable time various tolls, charges, and the like shall pay out the particular enterprise.

It is unfortunate that we should be put up against a 30-year limitation without serious investigation—unfortunate from every standpoint because there has been, I assume, no real investigation by the Senator from Michigan, who wishes to safeguard the bill. There has been, so far as I am aware, none from those who are interested in various bond issues; and without a knowledge of the situation as it exists we might do something that we do not intend to do, and an injustice, really, to some particular bond issue.

I do hope that the language of the authors of the bill will prevail.

Mr. COUZENS. Mr. President, there were several reasons for my suggesting this amendment. In fact, I think I have suggested it for too long a period.

From my experience with municipal governments I know how much politics is played in these local governments. I know that if these municipalities get public money to build a utility without any strict and rigid inhibition against playing politics with the project, in all probability that will be done. I know that temporary mayors and councils of municipalities for a period of a few years may wreck the whole institution for the purpose of gaining votes. They may even have exceedingly low fares. They may disregard the upkeep. They may disregard the maintenance. They may lower the fares for the purpose of a political campaign, without any responsibility to the Federal Government for the retirement of the loan.

I recall that when the city of Detroit took over the street-railway lines I made as hard and fast a contract as it was possible to make to prevent the politicians from lowering fares and playing politics with the system; and it was only because of the hard and fast and rigorous contract that was made that the system has been kept out of politics and been able to make a success.

I do not want to be party to a bill that permits a municipality or a State to come to the Federal Government and

get millions and millions of dollars for a utility, and leave the provision of fares and returns and upkeep and the tolls to be charged and the sinking funds and the interest charges all to politicians who may have no responsibility or obligation to return the money advanced to the Federal Government.

Mr. JOHNSON. Mr. President, in reply let me say that we will all agree with everything the Senator from Michigan may say in regard to the playing of politics by various municipalities and the like. Let us concede it, concede that they play politics in all sorts of directions; and he says that because politics has been played in various municipal undertakings he does not want to leave to the politicians of a particular municipality the right to lower tolls, and so forth, and do as they see fit.

That is just exactly what this bill prevents, and just exactly what the authors of this bill with care wrote into it, because it provides—I read it again; it is the fifth time; I seem unable to impress it upon my fellows—it provides:

The construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

All right. The construction cost, then, must be returned by means of fees, tolls, charges, and the like. That is in the bill. Now we entrust the administration of this bill to the Reconstruction Finance Corporation. The Reconstruction Finance Corporation must of necessity, in dealing with these subjects, have a discretion; and we entrust to the discretion of the Reconstruction Finance Corporation in this fashion—by saying that the Reconstruction Finance Corporation within a reasonable period shall see that the tolls and the charges and the like pay out the particular kind of construction.

If there is room for politics in thus putting the tolls and the charges in sufficient amount to pay out the cost of construction, I fail to see it; and while agreeing with everything that may be said by the distinguished Senator from Michigan in respect to politics in municipalities—and politics not only in municipalities, but otherwise, and in national conventions, too—and uniting with him in any exhortation of the politics that may be played under any circumstances and in any place, I insist that when the Reconstruction Finance Corporation is given the discretion within a reasonable time to see that the tolls and charges and the like will pay out the cost of construction, we have simply erected, by saying “politics in a municipality,” a particular specter which can not under any circumstances exist.

Mr. COUZENS. Mr. President, the Senator from California apparently proceeds on the theory that there is no politics in Washington or that he assumes that there is no politics in the Reconstruction Finance Corporation.

I do not propose to leave to the Reconstruction Finance Corporation, which is manned altogether by politicians, officeholders, or ex-officeholders, the determination of the length of time that they will loan this money and under what circumstances they may loan this money if by legislation I can prevent their abusing that power.

I do not propose to approve of a bill which permits the Reconstruction Finance Corporation directors—all of them more or less actively engaged in politics—to say to the State of California or to the State of Michigan or to any other State that a reasonable length of time is 99 years, for example, or 50 years, and for the period of 30, 40, 50, or 99 years permits the municipal authorities to play politics with fares and tolls, so that the Federal Government will in perpetuity be “holding the bag.”

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. JOHNSON. Will the Senator pardon me for saying in response to that that there is not any question of politics in language such as has been written into this bill; and no specter of that sort can be conjured up so far as this particular language is concerned. Our friend from Michigan is unduly alarmed about what may be done politically by the Reconstruction Finance Corporation.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. LOGAN. I do not think the Reconstruction Finance Corporation would play any politics; but what are we going to do in a situation like this, Mr. President?

Suppose we have a municipality with an administration in charge affiliated with one of the parties, and it follows the practice of employing no one on any character of work except a member of the political party in power. If we loan the municipality money, and it employs only members of the party of the administration, then will not the question of unemployment be thrust into politics?

Suppose a highway commission should say that it would not employ anyone but one of its own party. How would the Senator take care of a situation of that kind?

Mr. JOHNSON. Mr. President, I come from the far West. I come from a State that has had some regeneration politically in the past. I can not conceive of contractors upon the roads hiring only laborers and others there who belong to a specific or a particular party. I do not pretend to say what may exist in other places; and, therefore, with my lack of knowledge of any such situation, or the possibility of any such situation, I am unable to answer the query of the Senator from Kentucky.

Mr. WALSH of Montana. Mr. President, I do not understand why the Senator should offer this amendment he has offered. The bill provides that—

Such loans shall be made under such terms and conditions, with such security, and in such amounts and for such periods (not exceeding 10 years), as the Reconstruction Finance Corporation may prescribe.

The loan must be paid within a period of 10 years.

Mr. COUZENS. But may I point out to the Senator that amendments have been made to permit the Reconstruction Finance Corporation to go into the security business? It may bid in the open market for these securities. It may even underwrite a contract, under the amendment of the Senator from California.

Mr. WALSH of Montana. But, Mr. President, let me remark to the Senator that by the very terms of the measure that is simply one way by which the corporation may make a loan.

Mr. COUZENS. But if, as the Senator from California wants and as he says is required under the charters of the cities, they must sell their securities only by offering them for public sale, therefore the Reconstruction Finance Corporation are authorized, under the amendments made, to bid for securities which may run 20 years, 30 years, 40 years, or 50 years.

Mr. WALSH of Montana. Nevertheless, the loan must be paid back within the 10 years.

Mr. COUZENS. But if they buy the securities, it is not a loan.

Mr. WALSH of Montana. But it is a loan. The very security is a loan. "The city of San Francisco hereby agrees to pay to the bearer," at a certain specified time a certain amount of money. That evidences a loan. Loans are made by the sale of bonds.

Mr. COUZENS. For how long?

Mr. WALSH of Montana. For whatever period the bonds run, but under this bill the loan must be repaid within 10 years, and accordingly the securities purchased must mature within that period.

Mr. COUZENS. I am glad that has been developed, then, because the Senator from California proposes that these bonds be bid for by the Reconstruction Finance Corporation for the length of time that they may be issued, regardless of the 10-year limitation.

Mr. WALSH of Montana. Let me read the language of the bill. After authorizing loans to be made to States, municipalities, and public subdivisions, it continues, "such loans to be made through the purchase of their securities."

Then on the succeeding page the bill provides that such loans shall be made upon such terms and conditions and upon such security and in such amount and for such period, not exceeding 10 years, as the board may prescribe.

Mr. COUZENS. The Senator has not the amendments there.

Mr. JOHNSON. Mr. President, may I call to the attention of the Senator from Montana, so that he will not be in error in respect to the matter, that, at the instance of the Senator from New York, an amendment was adopted yesterday which in certain instances eliminates that particular provision in reference to the 10 years.

Mr. WAGNER. So far as the purchase of bonds is concerned, that is true, where that type of loan is made.

Mr. JOHNSON. That was done yesterday.

Mr. KING. Mr. President, will the Senator from California yield?

Mr. JOHNSON. I yield.

Mr. KING. I am interested in the suggestion just made, because I was absent from the Chamber attending a committee meeting, and I did not know of any modification of the provision with reference to the time not exceeding 10 years. If that has been eliminated, and the time has been extended to municipalities or to these corporations to 30 years or more, for more than 10 years, I think it is a very unwise provision. I should be more inclined now than ever to support the amendment of my friend from Michigan.

Mr. JOHNSON. That was done by amendment yesterday, duly adopted, presented by the Senator from New York. I did not want the Senator to be under any misapprehension in respect to the matter. That is quite so.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Hebert	Pittman
Austin	Costigan	Johnson	Reed
Bailey	Couzens	Jones	Robinson, Ark.
Bankhead	Dale	Kean	Sheppard
Barbour	Davis	King	Smoot
Bingham	Dickinson	La Follette	Steiwer
Black	Fess	Logan	Thomas, Idaho
Blaine	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Townsend
Bratton	George	McNary	Trammell
Brookhart	Glenn	Metcalf	Tydings
Bulow	Goldsborough	Moses	Vandenberg
Capper	Gore	Neely	Wagner
Caraway	Hale	Norbeck	Walsh, Mass.
Carey	Harrison	Norris	Walsh, Mont.
Cohen	Hastings	Nye	Watson
Coolidge	Hayden	Oddie	White

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. KING. Mr. President, I did not know until a moment ago, when the Senator from California [Mr. JOHNSON] mentioned it, that it was contemplated that the Metropolitan Water District of California intended to seek a loan of two hundred or more million dollars, to build an aqueduct or viaduct. I had some predilections against the bill, but hoped to find sufficient merit in it to command my support; but if the Government is to supply stupendous sums for aqueducts and viaducts to one corporation, or to a few, I think the predilections may be crystallized into disapproval of the bill.

We voted a short time ago an authorization of \$165,000,000 for the construction of Boulder Dam for the benefit of California. It was stated when that important project was under consideration that California had sufficient resources and wealth that she could handle the project alone; that if the Federal Government would abdicate its authority and turn over to California or some of its municipalities the construction of the dam she would not only finance it but also construct the necessary viaduct, and the Federal Government would not be called upon for a single penny.

It was, however, believed by Congress that the Federal Government should not relinquish its authority over the Colorado River and grant to California a franchise for the construction of the dam and the unlimited control over the power which might be developed.

Now, having obtained the authorization of \$165,000,000, we are given to understand that an application will be made under this bill for an appropriation which may be, as one engineer has told me, more than \$200,000,000 for the construction of the aqueduct and needed auxiliaries. If \$200,000,000 were taken from this fund for this one project it

would be too great a drain upon it. In my opinion, the Government should not tax the people to build viaducts and aqueducts and many of the projects falling under the terms of this bill.

This fund, large or small, should be spread over the United States as far as it is practicable, just, and fair. By that I mean there ought not to be a concentration of loans and credits in a few localities or a few States. It is for unemployment everywhere in the United States, not in California alone or in Michigan or in any one State. I protest against a policy being incorporated into the bill that would permit \$200,000,000 or more to be taken from the fund for the purpose of constructing a viaduct or aqueduct or any one project in any locality.

I regret exceedingly that the bill is broad enough to be interpreted as permitting this course. I indicated a few days ago, when I called attention to subdivision (2) of section (a) on page 101, that I objected to the provision that loans might be made "to private corporations to aid in carrying out the construction of bridges, tunnels, docks, viaducts, waterworks, and similar projects devoted to public use and which are self-liquidating in character." I shall move to strike that provision from the bill before final action is taken upon it.

In view of the understanding which I have as to one of the purposes back of the bill, the purpose I have just indicated, and with the understanding that the bill is susceptible of that construction and is to be so interpreted, I shall be reinforced and fortified in my desire to have that provision of the bill eliminated.

Mr. REED. Mr. President, will the Senator permit a question?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Pennsylvania?

Mr. KING. I yield.

Mr. REED. I understand the bill appropriates about \$1,500,000,000 in effect for various sorts of public projects. If California is to get one-fifth of that total amount and New Orleans is to get another \$100,000,000 for a bridge and New York City is to get another \$100,000,000 for a bridge or for a tunnel under the East River, it is perfectly obvious to me that the demands to be made upon the fund will be many times \$1,500,000,000. As the bill now stands who is to resist these demands and decide between them?

Mr. KING. Of course, there would be political and other pressure brought upon the board. The members of the board are human and they will be called upon to exercise great courage in meeting the demands made and the pressure to which they will be subjected. We learned a few weeks ago that the Reconstruction Finance Corporation Board had been called to the White House to confer with the President, and the next day the newspapers carried a statement purporting to emanate from the President or a representative of the President that a given sum was to be loaned to the railroads.

The board should be left to decide the question before them without interference by any person or official of the Government. If the board may not exercise, untrammelled and unafraid, the heavy responsibilities resting upon it, then we can not expect that measure of success which otherwise would attend their labors.

Mr. REED. The amount of money made available by the bill is about \$1,500,000,000, the total yield this year of our income tax on individuals and corporations. If I understand correctly the appropriation and application of the fund is to be decided entirely by the board of directors of the Reconstruction Finance Corporation. Is that correct?

Mr. KING. That is my interpretation.

Mr. JOHNSON. Mr. President, first let me ask what is this bill? What is its design? Its design first is the relief of our people. Its design first, as I regard it, is an endeavor in some way to mitigate the human misery that is now abroad in this land. It is not designed originally for the purpose solely of making loans, but it touches certain particular activities, activities that are self-liquidating in character and which will give employment to our people, and wherever there is a self-liquidating activity which will give

employment to our people, there then is one of the purposes to be subserved by the measure in question, if it be, of course, financially sound and if it comply in all regards with the various methods that are prescribed by the bill.

Mr. President, let me digress for just a moment. We have been mighty kind to great institutions in this land by legislation we have enacted. We have endeavored in every fashion that we could to minister to those institutions that said they were in want financially and that they required aid from the United States Government. We have sought, sir, by the Reconstruction Finance Corporation, not only to aid the banks but to aid railroads. There is another duty and a higher one that we owe to the people of the United States besides rendering financial aid to railroads and to banks.

We have before us out here within a step of the Capitol, and we saw before us last Friday when we were voting upon the so-called bonus bill, the evidence of an economic disease which to-day afflicts the United States of America. Blind, however, we have been, except in one small particular, to the evidences of that disease and deaf to its anguished call. Deaf we have been to the cry that has come from all over the land in behalf of those who require, who demand, who ask, who beg, who plead with us for employment. There is talk around the Chamber now about an adjournment on Saturday night, and rushing this bill every hour, early and late, in order that we may get out of here Saturday night next. I want to enter my solemn protest, sirs. While misery stalks in this land, while we are here to do a duty unto our people, I want to register my protest against an adjournment until that duty shall have been done, and done to the best of our ability.

I will not admit, sirs, that I am so bankrupt in ability to afford relief to a stricken people in this land that I have got to get out of here, sneak out of the city of Washington at anyone's command, without having done something at least for the relief of humanity in the United States. So, sirs, we should sit here just as long as it is necessary until that relief is afforded; and whether it takes until Saturday night, until a week from Saturday night, or a month from Saturday night, the obligation rests upon the men who believe that they owe an obligation unto humanity, as well as unto banks and railroads, to sit here and do their job and do their duty by human beings.

Now, Mr. President, recurring to the matter immediately before the Senate, it is asserted by the Senator from Pennsylvania [Mr. REED] in his peculiarly lugubrious manner that a single particular enterprise in the State from which I come might receive a disproportionate amount; but our first concern is relief for unemployment, and that relief which would be afforded in the matter of a loan for a great constructive enterprise that is secured by billions of taxable and assessable property in southern California, a security which would be ample under any and under all circumstances. But he insists that if that relief shall be accorded, somebody else might be left out or somebody injured. Of course, the Reconstruction Finance Corporation would prevent that. But if that be so, let us increase the amount under this bill that by the Reconstruction Finance Corporation may be put to the uses that we seek to put the amount that is appropriated under this measure. If it be necessary in order to put to work people in this land, if it be essential in order that there may be some jobs given to just some human beings to increase the amount, let us increase it, and fear not that we may affect the finances of the United States of America, because in every instance in this bill we provide for security that shall be accorded the United States Government and the Reconstruction Finance Corporation when any loans may be advanced under the provisions of the measure.

We need not worry our heads with \$1,250,000,000 or \$1,500,000,000, as the case may be. If the security be accorded and if more money is necessary, let us go the limit and, for the love of God, let us not get out of here until we have gone the limit in behalf of suffering human beings. We have not discharged our duty, our obligation is not at an end when we have merely given millions and billions to banks and to railroads. Something else, something else that

is more precious in this country, needs to be ministered to by the Congress—people, just common, ordinary, everyday men, women, and children. They must be ministered to by the Congress before it adjourns, and if they are not we are derelict in our duty and worse than derelict in our duty.

Now it is asserted that the amendment presented by the Senator from Michigan [Mr. COUZENS] first was a definition of a self-liquidating corporation. That we disposed of. The amendment, hastily written unquestionably, not considered at length at all, was found to do no more than the bill itself did in the matter of a definition. Now the amendment has been boiled down to just one proposition, the proposition of limiting to a 30-year period any bonds that may be taken in reality by the Reconstruction Finance Corporation. In the bill, with meticulous care, the provision is written that within a reasonable time it shall be determined that the tolls and the rates and the charges and the rents will pay off the entire construction price. More than that ought not to be asked. More than that ought not to be required. There is no reason for writing a hard and fast rule of 30 years or 20 years or 10 years or 50 years or 35 years. There within a reasonable time the bill provides the tolls must pay the entire construction cost, and therefore we insist that the bill as it is written by its authors with such care and the provisions of the bill should prevail and the amendment should be defeated.

Mr. PITTMAN. Mr. President, there is nothing in the bill that I can find with regard to California. There is nothing in the bill that I can find with regard to the metropolitan water district. I do not know whether it is a self-liquidating project or not. Even if it is determined to be a self-liquidating project, there is nothing in the bill that requires the Reconstruction Finance Corporation to give them \$200,000,000 or \$300,000,000. They can give them \$1,000,000 or \$2,000,000.

I wish to invite the attention of the Senator from Pennsylvania [Mr. REED] to the fact that there is no danger of one-fifth of the money or one-sixth of the money going to California under the policies of the present Reconstruction Finance Corporation. There is nothing in the bill that mentions California or the metropolitan water district. There is not a provision in the bill which compels the corporation to construe this aqueduct project as being a self-liquidating project. There is nothing in the bill to require them, in the case of a self-liquidating corporation, to give them all they ask any more than there is in the existing Reconstruction Finance Corporation act any provision that requires that corporation to give any bank all it wants or to give any railroad all it wants. As a matter of fact, so far as I know, the Reconstruction Finance Corporation have not given any applicants all they want. This project is in exactly the same position as all projects under the existing Reconstruction Finance Corporation act. To that extent the corporation has jurisdiction under the present law. They determine first whether or not there is an actual need for a loan; having decided there is an actual need for it, they determine whether or not it will be to the public benefit; then how much the project itself can contribute and how much the corporation will put up. There is no distinction whatever between the provisions of the existing law and this provision. This is merely the provision which the President of the United States approved and is exactly in the same amount, but he differed with the committee as to Government works.

The President was in entire accord with the speech made by the Senator from Arkansas; he thoroughly approved of \$1,500,000,000 being made available to the Reconstruction Finance Corporation to aid self-liquidating projects, and that is all this proposes.

If there were a provision that the Reconstruction Finance Corporation had to loan to each and every self-liquidating project all they ask, the chances are there would not be enough money in the world to do it; but they have not done so, and there is nothing like that contemplated here.

Mr. REED. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Pennsylvania?

Mr. PITTMAN. I yield with pleasure.

Mr. REED. I am not concerned about what the President has or has not recommended, and I am not very much concerned about what we have voted and what we have not voted; but I am very much concerned about where we are now heading. We are putting about \$3,500,000,000 all together, including the amount made available under the original Reconstruction Finance Corporation act and the amount proposed in the pending measure, in the hands of a board of directors to apportion very much as they see fit. They are patriotic men and they will no doubt try to act wisely; but when we consider the power we are giving them and then consider the way we quibble and haggle here over little items of appropriation for the departments, the contrast is rather shocking. So I am wondering if Congress is not abdicating its appropriating power here and turning it over to a board with possibilities of endless quarreling about the manner in which they will administer their task. I should like to hear what the Senator from Nevada thinks about that.

Mr. PITTMAN. Mr. President, in the first place, it depends entirely on whether the Senator from Pennsylvania agrees with the Senator from Nevada that, the banks being either unable or unwilling to lend money, we have got to seek credit from the only other available source, which is the Government. I think we agree on that, because I believe the Senator from Pennsylvania voted for the Reconstruction Finance Corporation act and for the Glass-Steagall bill. So we are in accord on the fundamental principle that the only source of credit that seems to be available nowadays is the Government. We felt that the banks needed to be relieved, and so we passed the Reconstruction Finance Corporation act, but it cost money.

Mr. REED. Mr. President, if the Senator will excuse me, I was not in the least bit concerned about the banks as banks, but I was concerned very much with the human beings who were their creditors, their depositors, and with stopping the panic which was spreading over this country like a black cloud, and which we did stop. We did things and I voted for measures that I shall probably always regret.

Mr. PITTMAN. Mr. President, it is utterly immaterial to me what were the inner motives that moved the Senator from Pennsylvania. The fact is that he was willing to have the credit of the Government extended to banks and to railroads in the sum of billions of dollars.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. Let me first answer the question. I assume that the Senator from Pennsylvania voted for the legislation on the same ground that I voted for it. We voted for extraordinary legislation under extraordinary conditions. We were about to have bankruptcy which would have affected everybody. So we passed the legislation. We found that after we passed those two acts conditions did not improve as we had hoped they would; in fact, they grew worse. There was more unemployment, commodity prices fell, the output of factories declined. We met the danger by authorizing the creation of the organization which the Senator now hesitates to trust. If he knows of any organization that can better be trusted, I will join him in placing the power in its hands. We put it in the power of the corporation which he now hesitates to trust to spend billions of dollars to meet an emergency. The emergency is greater now than it then was, and should we now hesitate?

Personally I am more interested in relieving unemployment than I am in helping private institutions. Our committee has tried to find a way by which first we could spend money on Government work. We found that we could not spend over \$500,000,000 on Government work in the near future—that is the testimony of the experts—and that is not enough, as we all admit, though it will help considerably.

Then we go farther. We say there are certain municipalities and quasi municipalities or instrumentalities of munic-

ipalities which have been organized in various ways, which really are working for municipalities, which are prepared to carry on projects for the public use, and which will employ many men; and we say it is safe to lend them money under the condition that the rates which they collect—not taxes, mind you, but the rates they collect—will pay back the loan with interest.

The primary purpose, of course, is to secure employment for people, but at the same time the loan is safe and does not depend on taxation. Therefore we all agreed, I thought, that, in addition to the Government work, so far as we could provide Government work, we would aid municipalities or quasi municipalities and instrumentalities of municipalities in carrying out projects for the public use by making to them loans which, in the opinion of the Reconstruction Finance Corporation, would be safe not by reason of the taxing power but by reason of the tolls, rentals, or rates. Having determined upon that policy we have not hesitated to aid such work in going forward.

Mr. REED. Mr. President, will the Senator permit an interruption?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Pennsylvania?

Mr. PITTMAN. Yes.

Mr. REED. With most of what the Senator says, I am in full agreement. I do not agree that the emergency is the same as that which we faced in December. Then we were facing a panic which we tried to stop and to a large extent did stop. Now we are facing the most abysmal human misery. It is not panic, but it is probably much longer enduring than panic and much more deep-seated and harder to stop. If there are 10,000,000 people out of work in this country, the wages which they ought to get would be somewhere from twenty-five million to fifty million dollars a day, and the amount that we are appropriating by this measure is not a patch on the amount that will be needed to relieve those people. We are in perfect agreement about that; but it seems to me that demands on this fund will be so many—and they will be backed up, all of them, by political pressure—that I do not see how any board of human beings can be expected to make a success of the apportionment of the money. That is what is bothering me.

Mr. PITTMAN. Yes; that bothered some of us and still bothers some of us; and whenever the Senator can suggest anything better I know everybody here will accept it.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. I yield.

Mr. NORRIS. Any criticism that I heretofore have made of this bill in the debate is not that the amount is too great, and I am not worried about the exhaustion of the funds provided by the bill. If we can use the money where it will employ labor, and if the fund is not large enough, make it larger; I think it ought to be larger. What I am particularly interested in now in connection with the Senator's very interesting discussion of the subject under consideration is, What will be the effect upon the employment of labor in connection with the particular kind of construction work about which the Senator is speaking? Will it afford a practical means of giving employment to men?

Mr. PITTMAN. I will try to answer the Senator's question.

Mr. NORRIS. I should like to hear the Senator's ideas on that question. If we can employ labor and do a legitimate job, it will be a benefit. The amount involved, to my mind, is a secondary consideration. Of course, I do not want to spend anything for nothing. I realize, however, that if we accomplish the real object, namely, to get rid of unemployment in this country, we must expend or provide for the expenditure of an enormous amount of money. To my mind, that is the best way to afford purchasing power to the millions of people who instead of requiring some charity to support them will themselves, after they have jobs, have a

purchasing power that will do more to restore prosperity than anything else we can do.

Mr. PITTMAN. If this measure does not accomplish that purpose, then, of course, it is a failure.

Mr. NORRIS. That is right.

Mr. PITTMAN. And, of course, that is not the intention of the committee which drafted it.

The Senator from Pennsylvania says that conditions now are not worse than they were when we passed the Reconstruction Finance Corporation act.

Mr. REED. No; I did not say they were not worse; I said they were different.

Mr. PITTMAN. Very well; I probably have not interpreted the Senator's language correctly. He said we were threatened with a panic then, and now we are threatened with human misery. If being threatened with misery is not worse than being threatened with panic, then there is a difference of opinion about it. We were threatened with bank failures, which ultimately bring misery; we were threatened with railroad receiverships, which, of course, are bad. We will admit that the two acts which we passed checked the condition in that respect; I hope they did. However, the Glass-Steagall bill has not been availed of by the banks. The Senator from Virginia [Mr. GLASS] the other day stated that out of the two or three billion dollars available for circulation only \$40,000 had been availed of. However, that is not the question. If the conditions are not worse, it is because we do not look at them in the same way.

When the Reconstruction Finance Corporation act was passed the Steel Corporation was working 20 per cent of capacity. To-day it is working but 17 per cent of capacity, and every time there is a decline in operations men are discharged and cease to be purchasers. The operations of industry have dropped ever since we passed that act, and it is admitted that unemployment has increased, and that is perfectly natural. Commodity prices have dropped off, so that the purchasing power is less. So far as I can see we are in a far more desperate condition than we then were.

What we have provided has done its work to the extent it has done it, and no more; but something else must be done. We propose to do it. Some say let private industry do it. Well, private industry can do it if it wants to or knows how to do it or is able to do it; nobody is holding it back. We have made available \$1,000,000,000 for the banks, and have made available currency through the Glass-Steagall bill, but it is not being used. We have reached the limit probably under the Reconstruction Finance Corporation act of saving railroads and banks; but still something must be done. Now, what are we going to do? The committee proposes an expenditure of \$500,000,000 on Government works immediately; others propose \$5,500,000,000.

It may be asked why we agreed on \$500,000,000. I will tell you why—because we wanted works that had been surveyed, estimated for, authorized, and were ready to start, or that could start almost immediately. We called in Colonel Sawyer, of the Stabilization Board, who had been appointed under act of Congress to find works of that kind, and he brought them to us. We called in General Brown to tell us what there was in rivers and harbors, and he brought them to us. We called in the head of the Road Department, who brought them to us. We asked, "What can we start on?" and they showed us; and, strange to say, the total did not come to \$500,000,000. It came to only \$300,000,000; and we left \$200,000,000 surplus to lift out of current appropriations things like the Boulder Dam project, which is a going concern, or an investment, if the President saw fit. Therefore we want more employment. All right. We are opposed to lending money to private corporations, private industry. Why? Because there is no limit to it. There is no end to it.

So we sought certain kinds of industries that we felt sure of. We did not propose to lend every municipality in the United States, because that was without limit. We did not propose to lend to any of them for miscellaneous purposes. We first came down to it and said, "Where is there a municipality or an instrumentality of a municipality that

is ready to go into new construction that will hire labor? That is the thing"; and we commenced to look over the country to see what they were.

They are scattered all over the country. There is not money enough to carry them all on, and no one ever thought for one moment that they would all be carried on. There is money enough, however, to divide up among them, to carry them over two years' time, probably, or one year's time, in the hope that this condition will lift, and our normal finances will take care of them.

This is only emergency aid. This is not to build these projects. The idea of conceiving the proposition, because this project in California will cost \$250,000,000 or \$300,000,000, that it is anticipated that it is to be built through the Reconstruction Finance Corporation. There was no such thought. They would probably buy \$10,000,000 worth of bonds. That \$10,000,000 worth of bonds would keep that work going on probably for a year, which is preliminary shovel work. Now the Senator asks whether or not it will pay.

What difference would it make, as far as the employment of labor is concerned, whether that aqueduct, 300 miles long, consisting of concrete and steel and tunnels and other features of an aqueduct, was built by the United States Government or built by this semimunicipality of southern California? The same number of men would be employed. The same materials would be bought. The same thing would go on.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. I yield.

Mr. NORRIS. The Senator puts his remarks in the shape of a question. If he is addressing it to me, I will say that it would make no difference to me.

Mr. PITTMAN. I knew it would not. That is the reason why I did not hesitate to address the question to the Senator.

That is what we are looking for. We have exhausted, in our investigations, those Government works that we can start in the near future; and it is not next winter that we want to do these things. We want to give men work now, and it comes to only \$500,000,000. Therefore we are looking around for somebody else to do the same kind of work when we know it is perfectly safe, not depending on taxation or credit. What do we do? That is what we call a self-liquidating project—something that does not depend upon taxes, that does not depend upon the credit of a State or a county or a municipality, but depends upon the dimes, quarters, and halves that come in from the operation of the project.

Take California again, as an illustration. I am sorry that matter got into the debate, because the bill does not say anything about it. Personally I know very little about it; but I know that it will employ a lot of men. It will buy an enormous amount of material that will come from nearly every State in this Union, and the making of that material will hire men in every State in the Union. It will do just as much as if the Government did it. Whether they can bring themselves within the definition or not, I do not know. If they have to depend on taxes, then they do not come within the definition. If they have legal authority to set aside a part of the returns from water that they sell in that great country down there, they will have ample to amortize that whole investment, with interest, in 30 years. I want to say, however, that I think even the Senator from California [Mr. JOHNSON], who has a higher opinion of the wealth and glory of California than almost anyone except other Californians, would not expect, out of a fund of \$1,500,000,000, to get nearly \$300,000,000.

Mr. JOHNSON. Mr. President, if the Senator will yield, may I say that he is entirely correct. Of course not. Not only that, but what would be accorded to the metropolitan water district if it made an application for a loan would be a small moiety in the beginning of that loan; and then, God willing, if things get better in this country, the bonds

that have been voted can be sold, and we will go on on our way to prosperity again.

Mr. PITTMAN. I may have another thing to say in regard to this:

The Reconstruction Finance Corporation is certainly in charge of men who are not extravagant, who are not over-cautious. They may have different ideas from me as to what is sound business or what is a sound locality of this country. While they have been charged with having over-loaned to some of the railroad companies, the fact remains that they did not lend them all they asked for. They did not lend the banks all they asked for; and they still have on hand about half of the \$1,500,000,000 that was made available to them. They are cautious gentlemen. If other Senators can conceive for one moment of the chairman of that board lending one-fifth of the entire fund to Southern California, I can not. It will not be done, nor to any of them.

As I said before, this \$1,500,000,000, if it were used in full, would reach nowhere; but we have projects all over the United States similar to that, and what is the result? I tell you that the banks of southern California are full of money, and yet they will not buy those bonds. Let the Reconstruction Finance Corporation, for instance, come in and buy \$10,000,000 worth of those bonds, and we will find the banks in that community coming in to get the bargains themselves. That is what we are helping to bring about.

We are in this peculiar position, however, with regard to this bill, and it is a discouraging position: All of us are attempting now to start industry and employment, and yet where do we find ourselves?

Here is a bill that provides for the expenditure of money in three ways:

First, by Government works.

Second, by self-liquidating municipal or semimunicipal corporations.

Third, the \$300,000,000 that we already have passed for the purpose of relieving destitution. We thought everybody was in favor of the \$300,000,000, and yet it has not passed another House.

We come in here, and we find Senators like the Senator from Pennsylvania [Mr. REED], who is opposed to any appropriation to carry on Government works—I charge that, and I think I am right—who indicates that he is opposed to lending any money to any municipal corporation or any instrumentality on a self-liquidating project that will be economical and is going to employ labor. He objects to any move. He admits that unemployment is increasing and destitution is getting worse, and he has nothing to offer. On the other hand, we have here those who are deeply sympathetic with the condition of unemployment and destitution in this country, who take the other extreme view—that they are not satisfied with this bill that we have offered because they want \$5,500,000,000 for Government works, and possibly nothing to be expended through self-liquidating municipalities or corporations.

Where are we going to wind up with this kind of a fight? Is there no spirit of compromise or get together here at all? Is this condition to go on forever?

Some Senators agree with us, probably, that Government works are right, but not enough. Others do not want any money spent on Government works at all. Others do not want any money advanced at all except under the present law, the Reconstruction Finance Corporation act, to banks and railroads. Are we going to stand here and fight for weeks and weeks over our own individual ideas, and get nowhere at all? We have done that before this session.

Why this misconstruction of an act that is so plain? Why should an intelligent Senator rise on the floor and say, "If I had known it was proposed to lend three hundred millions to the Metropolitan Water District of Southern California I would have been shocked, and I tell you now that I would vote against it," when there is nothing of the kind in the bill? Why, even the distinguished lawyer and Senator from Pennsylvania was shocked when he under-

stood that the bill was to give one-fifth of the whole fund to southern California. He even distrusted the Reconstruction Finance Corporation, his own creature.

If I have any distrust of it, I have not mentioned it. I have not said so. As a matter of fact, under this bill we are willing to trust them, with the limitations we have in the bill. We have attempted to define as carefully as we can define those things that are self-liquidating projects.

Mr. GLENN. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Illinois?

Mr. PITTMAN. I yield.

Mr. GLENN. In view of the fear that has been expressed by the Senator from Utah and the Senator from Pennsylvania, I wonder what the Senator from Nevada would think of an amendment limiting the amount that any one corporation may borrow, so that this talk about \$300,000,000 being loaned to this particular project would be out of the picture?

Mr. PITTMAN. I think that is like a flat cut of 10 per cent on an appropriation bill. I think that when we try to substitute overcaution for intelligence, we are making a mistake. That is my theory about the matter. The idea of saying that we can parcel out on the floor of the United States Senate how much shall be expended on this project and that project and the other project! We must have some one in whom we can trust, some one of intelligence, to determine the amount that can be granted to a defined concern to go on with its work, in the hope that there will be a return of prosperity or a return of action by the banks of this country. Any attempt to say that there shall be only this or that loan to this or that company, when we do not understand what it means, to me is begging the question.

Mr. GLENN. But here are very serious fears voiced that \$300,000,000 of this fund, or one-fifth of it, will be loaned to one project. I do not share in that fear myself; but I do not know but that it would be helpful to have an amendment that they could not loan 20 per cent to any one project. I can not see what harm it would do to fix some reasonable limit. It might obviate some of these objections.

The Senator from Nevada emphasizes the great importance of Senators giving way in some degree to each other's feelings and judgment. I should think that if we could assure the Senator from Utah [Mr. KING] and the Senator from Pennsylvania [Mr. REED] that this fear which they entertain is not to be realized, it might possibly be helpful.

Mr. PITTMAN. I am not a bit afraid that the chairman of the Reconstruction Finance Corporation is going to lend any too much money out through the country.

Mr. GLENN. Ah, but they are! The Senator from Utah is, and the Senator from Pennsylvania apparently is.

Mr. PITTMAN. That is all I have to say with regard to drifting away from the provisions of this bill. In the first place, it is assumed that this California corporation is mentioned in the bill. In the second place, it is assumed that it comes within the terms of the bill as a self-liquidating institution. I do not know whether it does or not. If they can bring it within the terms of the bill, that is another thing. In the third place, it is within the judgment and discretion of the Reconstruction Finance Corporation as to whether or not they need any aid; and if so, how much they need; and that is a matter of judgment.

No bill can be drawn, so far as I know, without limiting it purely to public works and leaving it in the department that runs Government work, and there again we have to trust somebody in the matter.

We have adopted the Reconstruction Finance Corporation in this measure as the instrumentality to handle the financing because we have started with them, and because they have an organization, and because they have a foundation of credit. They have about exhausted their activities as far as the railroads or the banks are concerned. Now we would like to get them busy, not on railroads and banks, but get them busy on these self-liquidating propositions, such as what we are now discussing, to start them, when they are

already smothered and frozen by reason of inability to get bank credits.

Mr. BORAH. Mr. President, I wonder if we are really making any progress by holding these night sessions. We have been in session now since 11 o'clock without intermission. I understand it is proposed to run on into the night.

I assume that these long hours, these long sessions, are held with the design and the hope that we will get away from here next Saturday. There is no possible way for us to get away from here next Saturday except to quit work. We can not finish. It is impossible to pass measures which are here on the calendar, for which there is a public demand that there be consideration, by next Saturday. That being true, I do not see why we should continue these night sessions.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. ASHURST. Mr. President, I have been so anxious to finish the work of the Senate and to conclude by next Saturday that my anxiety even led me into a speech last Saturday, which I think gave temporary offense to some Senators.

I should like very much to leave here next Saturday or Sunday. One of the keenest disappointments I shall probably have in public life will be my failure to leave here next Saturday. But it is now obvious to me that I am going to be disappointed, and possibly a great convention will be disappointed at my absence. [Laughter.] It is now obvious to me that we can not in workmanlike manner, with justice to ourselves and to the Senate and the country, finish our labors by Saturday.

I am trying, with the best sportsmanship and fortitude of which I am capable, to bear this disappointment. I have come to the conclusion that it is fantastic for us to attempt to drive all these great bills through the Senate in the next three or four days. It can not be done. We can not digest them, we can not even read them all. So, as far as I am concerned, I have during this afternoon come to the conclusion that I should relax any further attempt to speed up the Senate, and put the whip and spur to it, if I have been trying to do it, because it would not be fair to the country or fair to the Senate. So realizing we can not finish by Saturday, I therefore drain the bitter draught, and hope that the convention at Chicago will bear its disappointment arising from my absence as becomingly as it may. [Laughter.]

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New York?

Mr. BORAH. I yield.

Mr. COPELAND. I hope the Senate will bear with me if I pose for a moment as a doctor.

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New York for a statement?

Mr. BORAH. I yield.

Mr. COPELAND. The most dangerous man in the world is a tired surgeon or a worn-out doctor. We are dealing with a disease of the body politic, and it is very important that the legislative doctors be in vigor and health.

I have no doubt that the Senator from Arizona will have a greater chance of going to the convention on Saturday or Sunday if the Members of the Senate come to their work refreshed and ready for active service during the seven or eight hours of the daytime.

I agree fully with what the Senator from Idaho has said. It is not right for men to attempt to do the sort of work expected to be done by us if we come here worn out, with frayed nerves, and unfit for the great responsibilities which rest upon us.

No one can be more eager than I am to go home. I am not going to the convention, so I am not distressed about that, but I am just eager to go home. But, Senators, we can not do effective mental work if we have tired bodies, and I believe from the bottom of my heart that we will

make greater progress by a reasonable limitation of hours of work than by attempting to stay here in continuous session long past the time when tired bodies are capable of functioning as they should.

I agree fully with the suggestion made by the Senator from Idaho, and, further, no matter how eager we are to get away, for one reason or another, we will make greater progress and get away more quickly if we function as normal human beings, instead of treating ourselves as we are doing by these unwonted hours of labor.

Mr. SHIPSTEAD. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield?

Mr. BORAH. I yield the floor.

Mr. SHIPSTEAD. I just wanted to say that it seems to me ridiculous to sit here tired, as every one of us is, and try to write a bill of this immense magnitude on the floor of the Senate. Amendments have been offered and accepted here and I have not had the capacity to digest the meaning of all of them, and certainly I do not know how to vote on the pending bill. Possibly others are not so embarrassed, but it seems to me that if we are going to continue with these night sessions and this terrific drive when we are half dazed with weariness, it would be far safer, if we are going to appropriate a lot of money to save the world, to pass a resolution appropriating five hundred thousand million dollars and turn it over to a committee and go home. That seems to be the spirit of the Congress. If that is what we are going to do, let us do it and be done with it. If it is to be done, let it be done quickly.

If we are going to try to write some sane legislation and find out where all this money is going, let us take time to sleep, so that we shall be refreshed and can give proper thought to the matter. Let us take time to inquire as to where the money is to be spent. If it is to give relief for unemployment, let us find out how many men can be employed. This idea of just writing a blanket bill for the appropriation of a great deal of money in the hope that it will do some good does not seem to me worthy of the Senate of the United States.

If we have not the time to write legislation which can be thought through carefully and discussed thoroughly, if we have not the time to stay here, let us quit without passing any legislation. If we are going to pass legislation, let us get our sleep, our rest, so that we will be fit to appear here and at least give somewhat intelligent thought to what we are doing.

Mr. PITTMAN. Mr. President, I am not in charge of this bill, but as one of those who has supported it, I feel that Congress should act on this legislation in whatever form it is finally framed before we adjourn, and as well on some other legislation. Therefore, I have always hesitated to oppose long sessions, which may appear inconsistent. But I have almost come to the conclusion as stated by others, that it is evident that it is hardly probable that we can possibly finish here by Saturday the matters which some of us want to be here to vote on; and if our desire to leave on Saturday is to be disappointed, and we are to be here on Tuesday and Wednesday while the great convention is adjourning, I would rather be here from 12 until 5 o'clock for a month than to be here for one week the hours we have been meeting.

Mr. WAGNER. Mr. President, as one possibly who may be regarded as in charge of this bill, I want to join in the suggestion made by the Senator from Idaho. I am not very much concerned whether I leave here on next Saturday or next Saturday week. I am concerned, however, that the Senate take some action upon this important bill, together with other bills which are pending. I feel confident that in the end we will do better and more intelligent work if we have our daily sessions, and in the evening an opportunity to refresh ourselves and to consider the proposals made during the day.

Mr. FRAZIER. Mr. President, I want to call to the attention of the Senate the fact that thus far no particular legislation has been passed at this session of Congress for the farmers of the country. The farmers are in worse condi-

tion, if possible, than the unemployed themselves. It is true that most of the farmers have enough to eat, but their homes have been foreclosed upon and sold under the hammer over their heads, and in millions of instances their lands have been taken away from them.

Something must be done for the American farmers if they are to continue to be home owners and land owners, and something should be done by all means at this session of the Congress.

The other day the farm relief bill was recommitted to the Committee on Agriculture and Forestry. During the last Congress I introduced a bill for the relief of agriculture, and I introduced the same bill early in this session. We had hearings upon the bill in February, and after some lengthy discussion in the Committee on Agriculture and Forestry, the bill was reported to the Senate and placed upon the calendar on May 14. It is Senate bill 1197, Order of Business 737 on the calendar. It is known as the refinancing bill to liquidate and refinance agricultural indebtedness.

The leaders on this side of the aisle have promised me consistently that they would do everything in their power to help me bring the measure to a vote. I can not see any way possible of getting a vote on the pending bill by Saturday night, and I think it should be passed, and there are a number of other bills that ought to be passed. I want some assurance that I am going to get consideration of the farm bill I introduced, Senate bill 1197, or I want to serve notice here and now that I will offer the bill as an amendment to the pending bill and take the opportunity of discussing it through that procedure.

It would be a great deal better to have the bill come up by itself, but if that can not be arranged, I intend to offer it as an amendment to the pending bill. It is for relief to the farmers, just as much as this pending bill is intended to be a measure for relief to the unemployed and to others in distress.

Mr. TRAMMELL. Mr. President, I desire to send to the desk an amendment which I wish to have printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. JONES. Mr. President, I think there is not a Senator here who wants to get away any worse than I do or is any more interested in getting away than I am. But I have always felt that as long as there is business which the Senate ought to look after, and ought to look after well and carefully, we should stay here and attend to it. I think that is the reason why we are sent here. When we are not ready to do that, we are ready to be sent somewhere else.

There are several important measures yet to come before the Senate. The matter that we have now before us is a measure which in ordinary times the Senate would take two or three weeks to consider and properly put into the shape in which it ought to be for its final passage. We ought not to neglect such important legislation as this by hastily putting it through. It ought to be carefully considered. It ought to be carefully worked out. We hope to do good to the people and to the country through this legislation, and in order to do that the measure ought to be very carefully considered.

The Senator from California [Mr. JOHNSON] suggested that we ought to stay here until some legislation in the interest of the ordinary people is enacted. I agree with him in that statement. I have disagreed with him as to the purposes for which other legislation has been enacted. I have not voted for legislation in behalf of the banks of the country and for the benefit of the banks. I am not especially interested in those who are connected with the banks except those who are interested as depositors, whose savings may be in the banks and who are really the ones who need protection. I think it is beneficial to them that we should enact the legislation we have already enacted. But if we can enact legislation that is of direct benefit to the people of the country, we ought to stay here and do it, and we ought to take time enough to put it in proper shape.

There is other legislation beside that which is now pending that needs careful study and consideration, and that

needs to be enacted in the interest of the people of the country, and we ought to stay here until we have done that. Otherwise, I am not interested in getting away Saturday. It has been said that it will be impossible to get away Saturday. I think so. I can not see how it is possible for us to do in a proper way what the Senate ought to do between now and next Saturday. I think I can stand just about as much as any Senator here, so far as that is concerned. I can work day and night, but I believe we do a great deal better work if we do not try to do so much in so short a time. I think it would be in the interest of the people and the country, as well as in the interest of Senators themselves, if we would follow pretty closely the advice of Doctor COPELAND.

Mr. LEWIS. Mr. President, as I understand these observations from the Senators they addressed themselves to the conclusion as to whether we shall make an effort to adjourn this body before Saturday or by Saturday. Or, shall they remain at such tasks as we have undertaken though they exceed in point of time the end of the week. In this reference to adjourning by Saturday there is covertly carried the thought of the necessity of being present at the Democratic Convention to be held at Chicago. In the first place, I am unable to see where there is any necessity for my eminent and distinguished Republican friends to concern themselves about the Democratic Convention at Chicago. [Laughter.] I am equally indifferent to the Democrats and to any great concern on their part for the mere convention at Chicago when it is merely to attend the convocation of those who will exhibit themselves before the country—

Mr. ASHURST. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Arizona?

Mr. LEWIS. I am delighted to yield to my eminent friend, but I desire to inform him that by asking me at that particular moment to yield he destroyed a very potent thought which I fear has evaporated. [Laughter.]

Mr. ASHURST. Mr. President, the ability and fertility of my learned friend from Illinois will have no trouble in generating the thought at any time he sees fit. I am very much comforted in the last few moments. I have just been handed a note by which I am advised that a man is eligible for nomination for the Presidency or Vice Presidency without being personally present at the convention. [Laughter.]

Mr. LEWIS. Of course, the consolation afforded me in that speech, that my absence will not at all retard the possibility of the success which, of course, the party desires to confer upon me hastily, may have its gratifying aspect, but I say to the Senator from Arizona that while I may be credited with agility of action and ability of speech, I confess I hope for utility of thought and fertility of results. But all this can not disturb the conclusion to which I was reaching. That is, that it is better for the Democratic Party that it certify to America its willingness to remain to duty, and execute such measures as serve the welfare of the public, and thus perform that duty of the Democracy of coming to the rescue of the Nation despite the unhappy illustration disclosed by those who forsook the needs of the Nation under the guise of Republicanism and its convention.

Sirs, I say it is better for the Democrats that we show the Nation that we are willing to remain here and carry on the tasks in behalf of those who need their service, and that we are now preparing to do a service in connection with our Republican brethren that is needed for the common country and its welfare, than merely to hasten, leaping over these tasks, and assembling at some gathering where they shall certify in a platform the wonderful work they are doing in behalf of American mankind—in the face of the fact that they deserted the task at the only place and forum where it could be performed.

I digress in parenthesis to pay my tribute to a late rule of one of the parliamentary bodies of Europe, which I observe is that no newspaper is ever read in the face of a member addressing the body. Luckily for us in this Senate we never have to decree such a regulation as that. Our Senators are made of such high caliber of mind and decency of demeanor

that none would ever do such a thing. This ends my parenthesis.

I was about to add that I remember, as we all do, that in Faust we have an expression from Goethe, in which he speaks of the Brocken, and there he says:

Behold those that fly over the Brocken,
How they alight on limbs each separate from the other,
And soon so confused that when at evening time,
The axe of the hunter is laid to the roots,
And all are found in confusion intermixed and commingled upon
the ground.

We may light upon different limbs in this transaction, and the judgment of gentlemen may be wholly different from each other, the methods by which they move about may be affected with each other, but by disclosing to the country the desire and intent to serve, it is that which is the important feature. Milton never gave us a more apt maxim, more completely applicable to the present situation, than in his delightful assertion that "They also serve who only stand and wait." Or as Longfellow puts it, "labors and waits."

I can not profess to be a master financier in these matters of the financing of different proposals. My eminent friend from Michigan [Mr. COUZENS], whose great capacity is certified by those who have observed his splendid course; the gentlemen who have built this bill together in its different phases, have disclosed their capacity or, to use the words of my friend from Arizona alluding to his friend from Illinois, their "agility and capacity and ability." Each has, sir, his own judgment of each provision.

May I be pardoned to relieve the seriousness of the situation here and the gloom that has settled upon the definite conclusion that we are toiling forever without results, by relating that a short while ago there was an application in my city for citizenship by an Italian who was a fruit vender in my city. He proposed to the judge that he wanted citizenship, when the judge said, "Ricardo, do you know you are asking to be made a citizen of the United States?" "Yes, Judge." Then says the judge, "Can you tell me how many States are in the Union?" "Sir?" "You have to be examined," says the Judge. "Yes?" "Can you tell me how many States are in the Union?" "Mr. Judge," says our Italian applicant, "I talk to you. You know your business. I know my business. You ask me how many States in the Union. I ask you how many bananas in a bunch?" [Laughter.]

And now, Mr. President, each of us has a forum of information that relates distinctively to the branch of his own production; but I am anxious now at this second to divert for a moment in reply to my eminent friend from Arizona, whose liquid poetry and rhetorical exaltation in behalf of the drama has captivated us all and warned us with something of an admonition not to advance too far upon the field which he has perfected by his adorning epic.

I desire to say that I count very little, speaking seriously to my friends the Senators, the mere matter of the gathering of conventions and the designation of candidates. I think nothing could be better than the ancient form of selection that did apply to the government in Greece, which they copied from the Judeans, when the applicants for honors from their government were prohibited from being present at the gathering where such were to be chosen. Indeed, in one instance in Greece, when one ambitious hopeful did attend the assemblage, thinking he had victory in his hands, as punishment he was denied the luxury of success because of the audacity that he disclosed by attempting by his presence to influence those who were the judges. I feel that if certain gentlemen we have read of in the public press who are candidates could bring themselves to modest retirement, not being seen in the undertaking, it would go farther and better for them and would leave upon the minds of the Nation the feeling that the choice was not aided and fomented by galleries and by a repetition of that unforgettable and unpardonable incident which transpired in 1924 at the city of New York and another incident which unhappily affected two distinguished gentlemen, now gone to be sentinels of God, two ex-Presidents of the United

States, in the convention at Chicago in a controversy between President Taft and ex-President Roosevelt.

Mr. President, I am not concerned for myself as to whether there be any convention at all. So far as the convention is concerned, I am not at all interested if there be any gallery. I think it would be very wise, sir, and I do not hesitate here to proclaim that the best thing that could happen to the convention would be two orders—one, that the galleries should not have any inhabitants whatever; two, that there should be none of that wild applause and marching like a lot of hyenas beating at their own bodies, with a lot of screeches and expressions, senseless in themselves, regretful in appearance, and valueless in purpose.

I feel, and I take the liberty to assert, that we are just now at the time of the test of the politician by the people. Let us not assume that the great American public are always so befuddled. They have their eyes upon this body, and from here it is the test will come. Are we worthy of their confidence, and will we prove it by remaining to the task for the length of time necessary to execute it, to assure that confidence and trust? We who are lawyers, and most of us in this honorable body are lawyers, remember too well the maxim amidst ourselves "that it is better for a man to feel that he has had justice than even if he has not had it when he does not know it."

If we let the public feel we are attending to their business they are appeased, but if they see that we are assembled here unwilling to do so, that we are staying here grudgingly, opposing the necessity of doing so, and that we are really working here because we are afraid of the multitude and we fear their punishment if we should leave, we get no credit for such a performance that is conducted under such form of coercion. We must let the country realize that we are staying here to perform the task in order to relieve them of the severe exigencies which rests upon them and to give them the benefit of the relief which they now so sorely need.

I recall that the distinguished Senator from Nebraska [Mr. NORRIS], sitting opposite us, in his advocacy of a measure here the other day in our hearing, bringing to bear his usual philosophies, remarked, "It were better to take some bread, a slice off the loaf, than none of the loaf at all."

This is the position of this measure as I behold it: If this measure as it stands here, as prepared by these eminent leaders, with the aid of those, may I add, on both sides of the House, can disclose to the great masses who are watching us that they shall have relief. Equally true those of agriculture spoken of by the eminent Senators from the Dakotas. If all shall see that we are willing to remain to give them the best slice that we can draw from the loaf, we reinstate their confidence and make them feel that they will not go forth hungry, but that we are here to serve them to our fullest capacity. Let us hear again the great cry and the great challenge that they give to us, as they plead unto us for relief. Let us repeat and fulfill the injunction of the Scripture, "That which thy hand finds to do, do it with thy might." Thus it is we remain to perform the task that we may be just to man and faithful to God.

Mr. McNARY. Mr. President, I know of no Senator who desires to conclude the work of this session until emergent and essential legislation shall have been given careful consideration; at least, I can say for myself, Mr. President, it is far from my notion that we should adjourn until that shall have been done. For several days I have entertained an ambition that we might conclude the work of this session by Saturday night. I still cling to that hope, and believe that by night sessions we might consider what the majority of the Senate would consider as a program of essential and emergent legislation. If we can not conclude by Saturday night, then the hours will be shorter when we can conclude if we shall hold night sessions, for if we are not through by Saturday night, if we hold night sessions, we can be through some time next week.

It is not my desire—and I represent merely myself—to apply the whip and spur. I think, however, the country itself would prosper better by closing this session rather than by keeping it open. I think business will revive to a

large extent when Congress ceases to discuss public matters and finds an opportunity to express itself by a vote for adjournment.

So far as I personally am concerned, I do not want to cause any Member of the Senate to make a sacrifice of his health or to cause him any unnecessary inconvenience, but I think we all should make some sacrifice; and I think it is a small one, in view of the situation of the country, for us to stay here at night and work. I think we are quite as well off working here and discussing public problems as we would be if we were away. That is my view, and that is the reason I expressed myself as I did last evening in asking that the Senate continue its session.

Of course the majority of the Senate must control the proceedings, and if a majority of the Senate to-night should decide to recess, I shall have no complaint so far as I am concerned; but, speaking for some on this side of the Chamber, and some, I think, on the other side, I believe we should stay here and work, and I shall do so uncomplainingly. I shall be just as uncomplaining if it should be decided to recess; but upon that question, if a motion is made, I desire a record vote.

Mr. NORRIS. Mr. President, I accept in the best of faith the suggestion made by the Senator from Oregon, and I move that the Senate takes a recess until to-morrow at 11 o'clock, and on that motion I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska, on which the yeas and nays are demanded. Is the demand seconded?

The yeas and nays were ordered.

PURCHASE OF SILVER

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD the report of the Committee on Banking and Currency on Senate bill 3606, known as the silver purchase bill, which was introduced by me and which I discussed in the Senate on last Saturday, June 18, at which time I placed in the RECORD the correspondence with the Secretary of the Treasury with regard thereto.

There being no objection, the report (No. 843) was ordered to be printed in the RECORD, as follows:

[Senate Report No. 843, Seventy-second Congress, first session]
PURCHASE OF SILVER PRODUCED IN THE UNITED STATES WITH SILVER CERTIFICATES

Mr. NORBECK, from the Committee on Banking and Currency, submitted the following report (to accompany S. 3606):

The Banking and Currency Committee, to which was referred the bill (S. 3606) to authorize the purchase by the Government of American-produced silver, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes, having considered same, report favorably thereon with the recommendation that the bill do pass with the following amendments:

Page 1, line 6, after the word "States," insert the following: "at any time prior to July 1, 1938."

Page 1, line 9, before the period insert a comma and the following:

"if such market price of silver at such date is not in excess of 10 cents an ounce above the average market price of silver for the three preceding calendar months. The Director of the Mint shall continue to obtain and keep the necessary statistics to determine the price of silver for the purposes of this act, and shall publish the same at least every 30 days, and shall deliver such statement of prices to any person, firm, or corporation tendering silver for purchase by the United States Government under this act."

After section 1 insert the following new section:

"Sec. 2. The silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law."

Change the numbers of sections 2, 3, 4, and 5 of the original bill to 3, 4, 5, and 6, respectively.

Amend the title of the bill so as to read:

"A bill to authorize the purchase by the Government of silver, produced in the United States, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes."

STATEMENT

The primary purpose of the act is to aid in overcoming the oversupply of silver in the markets of the world due to the debasement

and melting up of silver coins by governments and disposing of the metal in the open market.

The secondary purpose of the act is to place in circulation a limited amount of additional currency based upon silver.

This is an emergency act, and its life is limited to a period of six years.

The committee finds as facts:

1. That the extreme and abnormal depression in the price of silver has so lowered the exchange value of the silver money of silver-using countries in relation to our gold-standard money that the purchasing power of the people of such countries in our markets has been greatly decreased, with a serious effect upon our export trade.

2. That such depressed price of silver is not due to an overproduction of the mines in the United States or the rest of the world.

3. That the production of silver for the year 1931 was substantially what it was for the pre-war year of 1913.

4. That the mine production of silver is more or less automatically controlled by the production of copper, lead, and zinc, because 66 per cent of the silver produced in the world is as a by-product of such metals.

5. Such depressed price of silver is chiefly due to an oversupply of silver in the world, such excess supply being derived from the debasement of silver coins through the reduction of fineness of silver content, and through the melting up of silver coins and the sale of the silver residue as metal in the markets of the world.

6. No governments at the present time, except the Government of India, are debasing and melting up silver coins. The Indian Government in 1926 authorized the secretary of the treasury for India to melt up the circulating silver rupee coins in the treasury and as they came into the treasury and to dispose of the metal so derived in the market of the world for the purpose of establishing a gold standard for India. The total amount of such silver sold from the debasement and melting up of silver coins for the past three years was as follows:

	Fine ounces
1929	67,000,000
1930	71,500,000
1931	59,500,000

The total world production from mines during those years was as follows:

	Fine ounces
1929	261,511,985
1930	247,413,900
1931	195,766,700

The British Government for India, notwithstanding that India has gone off the gold-exchange basis, is, nevertheless, continuing the policy and practice of melting up silver rupee coins and selling the metal on the market of the world. Such oversupply must be stopped or counteracted. The treasurer of India demands that mine production shall be reduced. Such a thing is impracticable if not impossible by reason of the fact that two-thirds of all silver produced is produced as a by-product of base-metal mining. The same result can be partially accomplished, however, by temporarily withdrawing from the markets of the world the United States production of silver. In the United States in 1931 there were produced 31,580,000 ounces of pure silver. The withdrawal of such silver from the market would partially offset the oversupply derived from the debasement and melting up of silver coins by governments.

7. The United States Government could lose nothing by the purchase of such silver. It would purchase the silver at the market price and pay for it in silver certificates of \$10, \$5, and \$1 denominations. With silver at the present market price of around 30 cents an ounce the Government would receive 3.3 ounces of pure silver for a \$1 certificate. As there is approximately 0.78 of an ounce of pure silver in a standard silver dollar the Government, in addition to the coined standard silver dollar to redeem the silver certificate if and when presented for redemption, would have and hold a reserve of 2.52 ounces of pure silver as additional security for the silver certificate issued or for seigniorage profits if Congress should authorize the disposal of such surplus silver.

8. The silver certificates would go into direct circulation through the payment for mine wages and mine materials. It would not constitute an inflation and would not be a burden upon our gold reserves. It would constitute, however, a small expansion of our currency based on ample silver security. At the present time the issue of such silver certificates would not exceed \$1,000,000 per month. The evidence shows that there is little hope or expectation of a very substantial increase in the production of silver in the United States for several years. Such production can only increase through the increase in the production of copper, lead, and zinc. The circulation of silver certificates in the United States has existed for over 40 years. During such period such circulation has varied around \$500,000,000, and there has been in the Treasury during most of that time an approximately equal number of standard silver dollars, held for the redemption of such silver certificates. Never in this century has the value of these certificates depreciated or been questioned. This small denomination currency constitutes a large part of the active currency of the country and is quite popular. At the time the \$500,000,000 of silver certificates were issued the gold reserves of the United States ranged around \$1,000,000,000. At the present time the gold reserves range around \$4,000,000,000. It is evident therefore that the small amount of additional currency issued under

the act could never even approach the relative amount of silver certificates to gold reserves that existed at the time the present circulating silver certificates were issued.

We submit with this report a statement made by Senator PITTMAN before the subcommittee, which contains a copy of the bill as amended, the report of the Secretary of the Treasury thereon, and correspondence between Senator PITTMAN and the Secretary of the Treasury relative thereto.

The amendments recommended by the subcommittee are as follows:

In the title of the bill strike out the words "American produced" and insert after the word "silver" the words "produced in the United States."

On page 1, line 6, after the word "States" insert "at any time prior to July 1, 1938."

On page 1, line 9, strike out the period at the end of the sentence, insert a comma and the following:

"if such market price of silver at such date is not in excess of 10 cents an ounce above the average market price of silver for the three preceding calendar months. The Director of the Mint shall continue to obtain and keep the necessary statistics to determine the price of silver for the purposes of this act, and shall publish the same at least every 30 days, and shall deliver such statement of prices to any person, firm, or corporation tendering silver for purchases by the United States Government under this act."

After section 1 add a new section to be designated as section 2, as follows:

"Sec. 2. The silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law."

Renumber the remaining sections of the bill, so that the bill will read as follows:

"A bill to authorize the purchase by the Government of silver produced in the United States, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes

"Be it enacted, etc., That silver bullion, the product of mines situated in the United States and of reduction works so located, may be deposited at any United States mint for sale to the United States at any time prior to July 1, 1938; and the Director of the Mint is directed to purchase silver so tendered, not in excess of 5,000,000 ounces per month, at the market price of silver in the United States as of the date of tender, if such market price of silver at such date is not in excess of 10 cents an ounce above the average market price of silver for the three preceding calendar months. The Director of the Mint shall continue to obtain and keep the necessary statistics to determine the price of silver for the purposes of this act, and shall publish the same at least every 30 days, and shall deliver such statement of prices to any person, firm, or corporation tendering silver for purchase by the United States Government under this act.

"Sec. 2. The silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law.

"Sec. 3. Payment for silver bullion purchased under the provisions of this act shall be made in silver certificates, which shall be issued for that purpose in denominations of \$10, \$5, and \$1, and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary for carrying out the foregoing provisions of this act. Silver certificates so issued, and silver certificates heretofore issued, or any silver certificates reissued, shall be legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues. Such certificates, when held by any national banking association or Federal reserve bank, may be counted as a part of its lawful reserve.

"Sec. 4. The silver bullion purchased under the provisions of this act shall be coined into standard silver dollars and subsidiary silver coins sufficient, in the opinion of the Secretary of the Treasury, to meet any demands for redemption of silver certificates issued under the provisions of this act, and such coin shall be retained in the Treasury for the payment of such certificates on demand. The bullion so purchased and obtained under this act, except so much thereof as is coined under the provisions of this act, shall be held in the Treasury for the sole purpose of the redemption of the certificates issued hereunder and in the manner herein provided. Any such certificates or reissued certificates, when presented at the Treasury, shall be redeemed in standard silver dollars, or in subsidiary silver coin, at the option of the holder of the certificates: *Provided*, That, in the redemption of such silver certificates issued under this act, not to exceed one-third of the coin required for such redemption shall be made in subsidiary coins, the balance to be made in standard silver dollars.

"Sec. 5. When any silver certificates issued under the provisions of this act are redeemed or received into the Treasury from any source whatsoever, and belong to the United States, they shall

not be retired, canceled, or destroyed, but shall be reissued and paid out again and kept in circulation; but nothing herein shall prohibit the cancellation and destruction of mutilated certificates and the issue of other certificates of like denomination in their stead, as provided by law.

"SEC. 6. The Secretary of the Treasury is authorized to make rules and regulations for carrying out the provisions of this act."

ADDITIONAL EXPENDITURES FOR COMMITTEE ON CONSERVATION OF WILD ANIMAL LIFE

Mr. PITTMAN. Mr. President, there is a Senate resolution on the calendar which is an emergency resolution providing an appropriation of \$7,500 from the contingent fund to pay the expenses of a committee that desires to close up its business. I refer to the Senate Committee on the Conservation of Wild Animal Life Resources. The resolution has been approved unanimously by the committee, and I should like to have it adopted. The resolution was not submitted by me, but I do not think there is any objection to it.

The VICE PRESIDENT. Of course, the motion to recess is not debatable and all this business is being done by unanimous consent. Is there objection to the request of the Senator from Nevada?

Mr. PITTMAN. I asked unanimous consent for the consideration of the resolution.

The VICE PRESIDENT. Will the Senator from Nebraska withhold his motion until other business may be transacted?

Mr. NORRIS. I do not want to withhold it for an indefinite time, but I have no objection to yielding to any request for unanimous consent.

The VICE PRESIDENT. The Chair understands the motion to be temporarily withheld, and the Senator from Nevada is recognized.

Mr. PITTMAN. I ask unanimous consent for the consideration of Senate resolution 203, being order of business 723.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment in line 5, after the word "purposes," to strike out "\$10,000" and insert "\$7,500," so as to make the resolution read:

Resolved, That the special committee directed by Senate Resolution No. 246, agreed to April 17, 1930, to investigate appropriate methods for the replacement and conservation of wild animal life hereby is authorized to expend in furtherance of such purposes \$7,500 in addition to the amount heretofore authorized.

The VICE PRESIDENT. The question is on agreeing to the amendment to the resolution.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ORDER OF BUSINESS

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Nebraska has consented to withhold his motion until I may make a brief statement and request.

It had been my hope that the labors of the Senate might be concluded by Saturday. Frankly, I desired to have the opportunity of attending the Democratic National Convention, which is expected to nominate the next President of the United States. Nevertheless, it seems to me that my first duty is to remain in attendance upon this body until its labors shall have been concluded, and I feel that other Senators who do not find it imperative to go away should remain here.

It seems to me that the debate on the pending bill is being prolonged so that a conclusion concerning it may be deferred for an indefinite time; and I am wondering whether it would be practicable to enter into an agreement that after 5 o'clock to-morrow afternoon the debate shall be limited so that no Senator may speak more than once nor longer than 10 minutes on the bill or on any amendment that may be offered thereto. Assuming that the Senate shall meet to-morrow morning at 11 o'clock, that will afford six hours without any limitation; and it will put into

effect a reasonable limitation that will probably bring to a decision the issues involved in this bill some time late to-morrow.

Mr. LA FOLLETTE. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. I yield.

Mr. LA FOLLETTE. I should like to ask the Senator from Washington [Mr. JONES] if he intends to bring up to-morrow the conference report on the economy bill, which I understand is likely to lead to a good deal of debate?

Mr. ROBINSON of Arkansas. Mr. President, I hope that the pending bill may be disposed of before other controversial matters are brought into the Senate, for the reason that it will be necessary to get the bill into conference at an early date in order that the conferees may have a reasonable opportunity for agreeing within a few days.

Mr. LA FOLLETTE. Mr. President, if the Senator from Arkansas will yield further, let me say that I agree with him about the importance of pushing along the pending bill, but at the same time I know, from the number of those who have been to see me, that there is bound to be considerable debate on the conference report on the economy bill. Furthermore, because the conference report is a privileged matter, I did not want the Senator to make an estimate that we would have all the time he has indicated to give to the pending bill and then have more than half of it taken by the conference report.

Mr. ROBINSON of Arkansas. My thought is that in all probability consideration of controverted conference reports may be deferred until the vote on the pending bill shall have been reached, if it can be reached under such an arrangement as I am suggesting. I know that there are other appropriation bills to come along, and that some time will be required for their consideration; but in all frankness, I feel that some time is being wasted; that we are not making the best use of our time.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON of Arkansas. I yield.

Mr. NORRIS. I should like to say to the Senator that I am in entire sympathy with what he is trying to accomplish. I agree with him that we ought to dispose of the pending bill before we take up any other controversial matters that will take time. However, since the Senator has suggested it, I want to ask him that he not prefer his request now. Senators will be thinking about it to-night, mulling it over in their minds, and talking with each other about it, and by to-morrow morning I have an idea we will be in a much better condition to have that suggestion made to us. I suggest that the Senator submit it to the Senate to-morrow instead of now. I know I should like to consult with one or two Senators before I agree to such a request.

Mr. ROBINSON of Arkansas. If that is the judgment of the Senator, I take it that no agreement could be made this evening, and I will not make the request at this time.

Mr. NORRIS. I hope the Senator will withhold it.

Mr. ROBINSON of Arkansas. I will withhold it.

Mr. JONES and Mr. LA FOLLETTE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Washington.

Mr. JONES. I was going to suggest that if some arrangement could be made along the line suggested by the Senator from Arkansas, I would be perfectly willing to withhold the privileged matter which has been referred to until the arrangement suggested could be carried out and the pending bill disposed of. I think that would be wise action on the part of the Senate.

Mr. ROBINSON of Arkansas. I desire to thank the Senator from Washington.

Mr. LA FOLLETTE. Mr. President, if the Senator from Arkansas will permit me I wish to say that I think the

Senate has confined itself very well to the subject matter of this bill. True, there was some discussion here on the prohibition question yesterday and a little to-day; but otherwise I think the Senator from New York, in charge of the bill, will agree that there has been a disposition on the part of Senators to confine themselves to the subject matter.

The Senator from Arkansas must take into account that a great many amendments, some of them very important, have been offered to this bill on the floor. So I did not want the statement to rest unchallenged in the Record that we have wasted any time on the bill. I think we have worked diligently on it.

I want to cooperate with the Senator, may I say, in getting an early disposition of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I am not complaining, except I do reaffirm that considerable time has been exhausted, if not wasted. Always in the closing hours of a session there is necessity for quick action. At the same time I realize that the importance of this bill, and its character, require that due consideration shall be given it. What I am wishing to avoid, however, is a situation that easily may arise—conference reports disposed of, appropriation bills passed, the friends of this bill delaying a final conclusion concerning it, and then intense pressure for adjournment on the part of the Congress.

I do not feel that this session of Congress ought to adjourn until every effort has been exhausted to dispose of this measure. That was the reason that prompted me to make the suggestion which I have made. I, of course, will withhold the request, since the indications are that it would be objected to at this time.

Mr. LA FOLLETTE. Mr. President, in view of the numerous and complicated amendments which have been adopted to this bill since it has been on the floor, I ask unanimous consent that there may be a reprint of it, showing the amendments as adopted thus far by the Senate.

Mr. ROBINSON of Arkansas. I think that is a good suggestion.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

ADDITIONAL REPORT OF A COMMITTEE

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 11638) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes, reported it without amendment and submitted a report (No. 867) thereon.

EXECUTIVE REPORTS OF POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

ADDITIONAL BILL INTRODUCED

Mr. HASTINGS introduced a bill (S. 4921) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was read twice by its title and referred to the Committee on the Judiciary.

INVESTIGATION OF RENTAL CONDITIONS IN THE DISTRICT

Mr. CAPPER submitted the following resolution (S. Res. 248), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Whereas despite a precipitate decline in the prices of practically all commodities throughout the United States and within the District of Columbia, there has been no appreciable decrease in rents in the said District; and

Whereas although the incomes of thousands of District residents have been seriously impaired through the present economic condition, the public of the District is paying high rents based upon inflated and fictitious values of rental properties; and

Whereas the Committee on the District of Columbia, in considering the rental situation in the District, has received charges

to the effect that rents are being artificially maintained at a high level and that, in numerous cases, rents have recently been increased, while wages of employees of apartment houses have been reduced; and

Whereas the Committee on the District of Columbia believes the health and general welfare of the people of the said District to be imperiled by the exorbitant demands of landlords, and believes also that an investigation of rental and related conditions in the said District is necessary to furnish the Senate with information to serve as a basis for such legislation as may be deemed requisite to protect the health and welfare of the public of the District: Therefore be it

Resolved, That the Committee on the District of Columbia, or a duly authorized subcommittee thereof, be directed to investigate any and all conditions affecting rentals and rental properties in the District.

The committee or subcommittee shall make every effort to ascertain the facts as to the rental conditions in the District of Columbia as to vacancies, rents, construction, and any and all other matters pertinent to the inquiry, including financing of apartment houses and dwelling houses for sale or rent in the said District. The committee or subcommittee, upon discovering in the course of its inquiry evidence of any criminal action, shall promptly communicate such evidence to the proper authorities for prosecution.

The committee or subcommittee shall make a final report of its investigation, with recommendations, to the Senate not later than December 15, 1932. For the purposes of this resolution, the committee or subcommittee is authorized to avail itself of the services of all agencies of the Federal and District Governments in the District of Columbia; to hold hearings and to sit and act at such times and places as it deems advisable; to employ such assistance as it deems necessary; to require, by subpoena or otherwise, the attendance of witnesses and the production of books, papers, and documents; to administer oaths and to take testimony, and to make expenditures to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee. The total of such expenditures shall not exceed \$5,000.

PHILLIP FORMAN

Mr. KEAN. Mr. President, I ask unanimous consent, as in executive session, that we confirm a nomination which has been sent here and approved by the committee—the nomination of Phillip Forman.

Mr. ROBINSON of Arkansas. What is the nomination—for what office?

Mr. KEAN. United States district judge, district of New Jersey.

Mr. NORRIS. No, Mr. President; I do not think we ought to do that.

The VICE PRESIDENT. The Senator from Nebraska objects.

SEVERAL SENATORS. Regular order!

RECESS

The VICE PRESIDENT. The Senator from Nebraska [Mr. NORRIS] has moved that the Senate take a recess until 11 o'clock to-morrow morning. On that question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. KEYES]. Being assured that he would vote as I intend to vote, I am at liberty to vote. I vote "nay."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I withhold my vote.

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. LONG], who is necessarily absent, and refrain from voting.

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I am advised that I can transfer that pair to the Senator from New Mexico [Mr. CUTTING]. I do so, and will vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote. If at liberty to vote I should vote "nay."

Mr. STEIWER (when his name was called). On this question I am paired with the junior Senator from Texas [Mr. CONNALLY], who is detained from the Chamber. In his absence, and not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH], who is unavoidably detained from the Senate and the city. I transfer that pair to the Senator from Connecticut [Mr. WALCOTT], and will vote. I vote "nay."

The roll call was concluded.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. THOMAS of Idaho (after having voted in the negative). Has the junior Senator from Montana [Mr. WHEELER] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. THOMAS of Idaho. I have a general pair with the Senator from Montana, and therefore withdraw my vote.

Mr. HASTINGS. I transfer my pair with the Senator from Tennessee [Mr. HULL] to the Senator from New Hampshire [Mr. KEYES], and will vote. I vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Colorado [Mr. WATERMAN] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from New Mexico [Mr. CUTTING] with the Senator from Washington [Mr. DILL].

The result was announced—yeas 38, nays 32, as follows:

YEAS—38

Ashurst	Coolidge	Jones	Pittman
Bailey	Copeland	King	Robinson, Ark.
Barkley	Costigan	La Follette	Schall
Black	Couzens	Lewis	Sheppard
Blaine	George	McKellar	Shipstead
Borah	Gore	Morrison	Trammell
Broussard	Harrison	Neely	Wagner
Bulkeley	Hayden	Norbeck	Walsh, Mass.
Caraway	Howell	Norris	
Cohen	Johnson	Nye	

NAYS—32

Austin	Dale	Hebert	Robinson, Ind.
Bankhead	Dickinson	Kean	Shortridge
Barbour	Fess	McGill	Stephens
Bratton	Frazier	McNary	Thomas, Okla.
Bulow	Goldsborough	Moses	Townsend
Byrnes	Hale	Oddie	Vandenberg
Capper	Hastings	Patterson	Watson
Carey	Hatfield	Reed	White

NOT VOTING—26

Bingham	Glass	Long	Tydings
Brookhart	Glenn	Metcalf	Walcott
Connally	Hawes	Smith	Walsh, Mont.
Cutting	Hull	Smoot	Waterman
Davis	Kendrick	Stelwer	Wheeler
Dill	Keyes	Swanson	
Fletcher	Logan	Thomas, Idaho	

So Mr. NORRIS's motion was agreed to; and the Senate (at 6 o'clock and 44 minutes p. m.) took a recess until tomorrow, Wednesday, June 22, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 21 (legislative day of June 15), 1932

COAST GUARD

The following-named officers in the Coast Guard of the United States:

Commander Muller S. Hay to be a captain, to rank as such from June 15, 1932, in place of Capt. Harry G. Hamlet, promoted.

Lieut. Commander Frank J. Gorman to be a commander, to rank as such from June 15, 1932, in place of Commander Muller S. Hay, promoted.

Lieut. Raymond V. Marron to be a lieutenant commander, to rank as such from May 15, 1932.

PROMOTIONS IN THE NAVY

Commander Raymond A. Spruance to be a captain in the Navy from the 30th day of June, 1932.

Lieut. Asa Van R. Watson to be a lieutenant commander in the Navy from the 1st day of February, 1932.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June, 1932:

Roger F. McCall.	James D. Barner.
Louis Dreller.	Malcolm F. Schoeffel.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of June, 1932:

John H. Parrott.
Robert E. Cofer, jr.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June, 1932:

John P. B. Barrett.	Lee R. Herring.
Truman J. Hedding.	Thomas U. Sisson.
Clarence E. Ekstrom.	

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of June, 1932:

Abraham L. Baird.	Samuel B. Frankel.
Charles E. Weakley.	John Andrews, jr.
Robert J. Ramsbotham.	Finley E. Hall.
Williston L. Dye.	John M. Bermingham.
Albert C. Perkins.	James T. Hardin.
Lamar P. Carver.	Robert H. Wilkinson.
Augustus R. St. Angelo.	Donald F. Weiss.
Bruce A. Van Voorhis.	Melvin M. Martin.
Charles O. Triebel.	Francis J. Johnson.
Lowell T. Stone.	Philip R. Osborn.
Richard R. Ballinger.	William J. Richter.

The following-named assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenant, from the 30th day of June, 1932:

Gerald W. Smith.
Thomas M. Arrasmith, jr.
Glenn S. Campbell.

The following-named assistant dental surgeons (temporary) to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade), from the 1st day of July 1932:

Merritt J. Crawford.
Adolph W. Borsum.

Radio Electrician Will R. McCutchan to be a chief radio electrician in the Navy, to rank with but after ensign, from the 26th day of January, 1932.

Commander Guy E. Baker to be a captain in the Navy from the 30th day of June, 1932.

The following-named lieutenant commanders to be commanders in the Navy from the 30th day of June, 1932:

Mahlon S. Tisdale.
James L. King.

Lieut. (Junior Grade) Rufus E. Rose to be a lieutenant in the Navy from the 30th day of June, 1932.

Commander Henry K. Hewitt to be a captain in the Navy from the 30th day of June, 1932.

Lieut. Commander Ralph S. Wentworth to be a commander in the Navy from the 30th day of June, 1932.

Lieut. Rutledge Irvine to be a lieutenant commander in the Navy from the 1st day of July, 1931.

Lieut. Roy W. Bruner to be a lieutenant commander in the Navy from the 30th day of June, 1932.

Lieut. (Junior Grade) Philip R. Coffin to be a lieutenant in the Navy from the 1st day of February, 1932.

Lieut. (Junior Grade) Everett H. Browne to be a lieutenant in the Navy from the 1st day of May, 1932.

POSTMASTERS

ARIZONA

William I. Welker to be postmaster at Bowie, Ariz., in place of L. E. Hempstead, resigned.

ARKANSAS

Alfred J. Jefferies to be postmaster at Clarendon, Ark., in place of H. S. Irwin, removed.

Jesse J. Capps to be postmaster at Pangburn, Ark., in place of G. E. Crosby. Incumbent's commission expired May 25, 1932.

CALIFORNIA

Lola P. Neff to be postmaster at Biggs, Calif., in place of L. P. Neff. Incumbent's commission expired May 22, 1932.

Lola F. Thornton to be postmaster at Durham, Calif., in place of L. F. Thornton. Incumbent's commission expired May 22, 1932.

Nicholas Nanassy to be postmaster at Fontana, Calif., in place of E. A. Rees. Incumbent's commission expired May 14, 1932.

M. Earle Adams to be postmaster at Healdsburg, Calif., in place of M. E. Adams. Incumbent's commission expired May 22, 1932.

Linnie Jouett to be postmaster at Hobart Mills, Calif., in place of Mary Goble, resigned.

Charles E. Kline to be postmaster at Willows, Calif., in place of J. J. West, deceased.

COLORADO

Emmons Ringle to be postmaster at Sugar City, Colo., in place of J. H. O'Connell, deceased.

FLORIDA

William A. Murphy to be postmaster at Homestead, Fla., in place of Sherwood Hodson, removed.

IDAHO

John E. McBurney to be postmaster at Harrison, Idaho, in place of J. E. McBurney. Incumbent's commission expired March 2, 1932.

ILLINOIS

Charles M. Jacobi to be postmaster at Bunker Hill, Ill., in place of J. H. Truesdale, deceased.

Roy W. Stott to be postmaster at Evergreen Park, Ill., in place of C. A. Draper, removed.

Glenn S. Wade to be postmaster at Farina, Ill., in place of G. S. Wade. Incumbent's commission expired January 10, 1932.

Imon A. Bankson to be postmaster at Mound City, Ill., in place of T. J. Perks. Incumbent's commission expired March 22, 1932.

Hugh A. J. McDonald to be postmaster at Rock Island, Ill., in place of H. A. J. McDonald. Incumbent's commission expired January 27, 1932.

William M. Repine to be postmaster at Tiskilwa, Ill., in place of W. M. Repine. Incumbent's commission expired December 15, 1931.

INDIANA

Harry R. Hayes to be postmaster at Lawrenceburg, Ind., in place of John Stahl, resigned.

Horace P. Goff to be postmaster at Middletown, Ind., in place of W. C. Farrell. Incumbent's commission expired May 12, 1932.

Iva D. Myers to be postmaster at Millersburg, Ind., in place of I. D. Myers. Incumbent's commission expired May 12, 1932.

Vivian Milburn to be postmaster at Patoka, Ind., in place of Vivian Milburn. Incumbent's commission expired January 28, 1931.

Ernest C. Hefner to be postmaster at Roanoke, Ind., in place of E. C. Hefner. Incumbent's commission expired May 17, 1932.

Curtis D. Richards to be postmaster at Sharpsville, Ind., in place of J. M. Cage, resigned.

IOWA

John C. Erton to be postmaster at Blairsburg, Iowa, in place of J. C. Erton. Incumbent's commission expired December 19, 1931.

Alwin W. Michaelson to be postmaster at Dow City, Iowa, in place of W. C. Rolls, deceased.

Vern U. Waters to be postmaster at Havelock, Iowa, in place of O. M. Bloomer, resigned.

Charles A. Bowman to be postmaster at Iowa City, Iowa, in place of C. C. Shrader, deceased.

Ralph L. Rinehart to be postmaster at Monroe, Iowa, in place of H. J. Perrin, resigned.

Bert Underbakke to be postmaster at Rake, Iowa, in place of A. K. Marsaa, removed.

Ralph R. Fear to be postmaster at Williams, Iowa, in place of Carl Wulkau. Incumbent's commission expired January 10, 1932.

KANSAS

James W. Busenbark to be postmaster at Belpre, Kans., in place of J. M. Arbogast. Incumbent's commission expired December 19, 1931.

LOUISIANA

Cassius E. Jolley to be postmaster at Berwick, La., in place of E. S. Rogers. Incumbent's commission expired May 26, 1932.

Fred E. Callaway to be postmaster at Jonesboro, La., in place of F. E. Callaway. Incumbent's commission expired May 26, 1932.

Hester M. Clark to be postmaster at Many, La., in place of J. W. Miller. Incumbent's commission expired May 2, 1932.

Stephen O. Wilson to be postmaster at Vivian, La., in place of Daniel Crowe. Incumbent's commission expired May 17, 1932.

MARYLAND

Edythe A. Baker to be postmaster at Aberdeen, Md., in place of A. E. Andrew, removed.

William Marshall to be postmaster at Lonaconing, Md., in place of William Marshall. Incumbent's commission expired January 10, 1932.

MICHIGAN

Joseph J. Voice to be postmaster at Fife Lake, Mich., in place of D. E. Hills, deceased.

James Cameron to be postmaster at Parma, Mich., in place of B. F. Peckham. Incumbent's commission expired January 31, 1932.

Raymond A. Liken to be postmaster at Sebewaing, Mich., in place of H. G. Muellerweiss. Incumbent's commission expired January 9, 1932.

Hugh H. Hanna to be postmaster at Tecumseh, Mich., in place of H. W. McClure. Incumbent's commission expired January 9, 1932.

MINNESOTA

Roy A. Smith to be postmaster at Beardsley, Minn., in place of R. A. Smith. Incumbent's commission expired April 23, 1932.

Herbert G. Carlson to be postmaster at Gibbon, Minn., in place of C. G. Carlson, deceased.

Joseph Pott to be postmaster at Glencoe, Minn., in place of A. W. Austin, deceased.

Stephen Singer to be postmaster at Goodridge, Minn., in place of J. M. Payne. Incumbent's commission expired January 18, 1932.

MISSOURI

Harley L. Collins to be postmaster at Bethany, Mo., in place of M. M. Wightman. Incumbent's commission expired May 12, 1932.

Frederick M. Rich to be postmaster at Perry, Mo., in place of F. M. Rich. Incumbent's commission expired May 12, 1932.

Rufus G. Beezley to be postmaster at Steelville, Mo., in place of R. G. Beezley. Incumbent's commission expired January 18, 1932.

Ora M. Anderson to be postmaster at Waynesville, Mo., in place of J. A. Davis, resigned.

Winford E. Cahill to be postmaster at Windsor, Mo., in place of T. C. Harris. Incumbent's commission expired April 9, 1932.

NEBRASKA

Joseph L. Hicks to be postmaster at Farnam, Nebr., in place of O. T. Thompson, resigned.

Trevelyan E. Gillaspie to be postmaster at Lincoln, Nebr., in place of T. E. Gillaspie. Incumbent's commission expired May 29, 1932.

Robert J. Boyd to be postmaster at Trenton, Nebr., in place of R. J. Boyd. Incumbent's commission expired May 2, 1932.

NEVADA

Dora E. Richards to be postmaster at Sparks, Nev., in place of D. E. Richards. Incumbent's commission expired April 9, 1932.

NEW JERSEY

Raymond L. Buck to be postmaster at Hammonton, N. J., in place of J. L. O'Donnell, resigned.

Weston Rice to be postmaster at Lake Como, N. J., in place of Weston Rice. Incumbent's commission expired December 15, 1931.

NEW YORK

George G. Taylor to be postmaster at Canaan, N. Y., in place of E. M. Babcock. Incumbent's commission expired May 14, 1932.

Enoch E. Carpenter to be postmaster at Chestertown, N. Y., in place of C. F. Parker, deceased.

Frank R. Hanson to be postmaster at Sea Cliff, N. Y., in place of F. R. Hanson. Incumbent's commission expired February 24, 1931.

NORTH CAROLINA

Howard P. Holshouser to be postmaster at Blowing Rock, N. C., in place of C. S. Prevette. Incumbent's commission expired May 26, 1932.

Willis A. Willcox to be postmaster at Halifax, N. C., in place of W. A. Willcox. Incumbent's commission expired May 25, 1932.

Calvin M. Adams to be postmaster at Statesville, N. C., in place of J. M. Sharpe. Incumbent's commission expired May 17, 1932.

OHIO

Henry V. Buel to be postmaster at Malvern, Ohio, in place of J. W. Gorrell, deceased.

OKLAHOMA

Harold D. Larsh to be postmaster at Norman, Okla., in place of G. D. Graves. Incumbent's commission expired February 16, 1931.

David D. Hessel to be postmaster at Hitchcock, Okla., in place of R. E. Bain, removed.

Theodosia Parsons to be postmaster at Mountain View, Okla., in place of Theodosia Parsons. Incumbent's commission expired May 16, 1932.

Floyd O. Hibbard to be postmaster at Snyder, Okla., in place of F. O. Hibbard. Incumbent's commission expired December 16, 1930.

Leroy L. Stryker to be postmaster at Vinita, Okla., in place of Joseph Hunt, jr., deceased.

Clark Moss to be postmaster at Wagoner, Okla., in place of E. B. Foster. Incumbent's commission expired February 10, 1931.

OREGON

Delbert E. Pearson to be postmaster at Carlton, Oreg., in place of A. E. Bones, deceased.

PENNSYLVANIA

Mary K. Schambach to be postmaster at Beaver Springs, Pa., in place of M. K. Schambach. Incumbent's commission expired May 25, 1932.

Edward J. Durbin to be postmaster at Brockway, Pa., in place of G. C. Noblit, removed.

J. Elmer Young to be postmaster at Delaware Water Gap, Pa., in place of M. F. Hauser, deceased.

Samuel J. McMains to be postmaster at Leechburg, Pa., in place of C. F. Armstrong, resigned.

Thomas L. Lebo to be postmaster at New Bloomfield, Pa., in place of T. L. Lebo. Incumbent's commission expired May 29, 1932.

Horace H. Hammer to be postmaster at Reading, Pa., in place of H. H. Hammer. Incumbent's commission expired December 16, 1930.

Allen Very to be postmaster at South Montrose, Pa., in place of G. H. Roberts, removed.

Harry H. Hawkins to be postmaster at Spring Grove, Pa., in place of H. H. Hawkins. Incumbent's commission expired January 8, 1928.

Harry Oildorf to be postmaster at Stroudsburg, Pa., in place of W. D. Heilig. Incumbent's commission expired April 5, 1932.

William H. Deppen to be postmaster at Sunbury, Pa., in place of W. H. Deppen. Incumbent's commission expired May 25, 1932.

William H. D. Moyer to be postmaster at White Haven, Pa., in place of W. H. D. Moyer. Incumbent's commission expired January 5, 1932.

RHODE ISLAND

Peter L. Creighton to be postmaster at Harrisville, R. I., in place of J. H. Riley. Incumbent's commission expired December 17, 1931.

SOUTH DAKOTA

Leonard D. Walters to be postmaster at Bruce, S. Dak., in place of L. D. Walters. Incumbent's commission expired June 12, 1930.

Willis W. Youells to be postmaster at Revillo, S. Dak., in place of P. A. H. Hagen. Incumbent's commission expired May 29, 1932.

Helen E. Becker to be postmaster at Turton, S. Dak. Office became presidential July 1, 1928.

Olin A. Hart to be postmaster at Volin, S. Dak., in place of R. T. Johnson, removed.

TENNESSEE

Orville E. Bogart to be postmaster at Erwin, Tenn., in place of J. F. Toney, jr. Incumbent's commission expired April 30, 1932.

Joseph W. Callis to be postmaster at Germantown, Tenn., in place of J. W. Callis. Incumbent's commission expired May 25, 1932.

Paul E. Walker to be postmaster at Ridgely, Tenn., in place of J. N. Wood. Incumbent's commission expired March 16, 1932.

TEXAS

William B. Hamilton to be postmaster at Laredo, Tex., in place of Sol Rubenstein, deceased.

VIRGINIA

Emmett L. Allen to be postmaster at Glenallen, Va., in place of E. L. Allen. Incumbent's commission expired January 5, 1932.

Claude Neale to be postmaster at Saluda, Va. Office became presidential July 1, 1930.

WASHINGTON

Will H. Lunt to be postmaster at Hoodsport, Wash., in place of Phillip Abbey, resigned.

Coy R. Kern to be postmaster at La Conner, Wash., in place of M. J. Chilberg, deceased.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 21, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our Everlasting Father, we wait before Thee with a sense of our manifold needs. Accept our praise for all Thy mercies. Surely Thou hast not restrained them. We trust that we are sincerely grateful for good health; for the privileges and for the joys which bless our daily lives. Above all these, Blessed Lord, we thank Thee for Him, whom Thou hast sent, that our souls may be the sanctuaries of His beautiful spirit. O may it flow in as ours flows out. Vouchsafe the wisdom that we need, and may we submit ourselves to Thy guidance. Bless us with that unity which comes from mutual regard and respect. Minister unto us a sense of the abiding realities, namely, faith, hope, and love. Thus labor shall be made easy, charity zealous, and our aspirations shall be as a climbing flame. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 8173. An act to provide for the renewal of 5-year level premium term Government insurance policies for an additional 5-year period without medical examination; and

H. R. 10825. An act to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 182. Joint resolution amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

PRIVATE CALENDAR

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that it shall be in order to-day to recess until 8 o'clock to-night, and that it shall be in order from 8 o'clock until half past 10 o'clock to-night to consider under the old rule bills unobjected to on the Private Calendar commencing where the call last left off.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the gentleman from Alabama [Mr. BANKHEAD] on Saturday stated that the work of the House was virtually completed. The majority leader is aware of the fact that night sessions are quite exacting on certain Members who follow closely the Private Calendar.

I wish to inquire whether it would not be compatible with the program of the majority to have some day this week, or to have some portion of a day this week, set aside for the consideration of the Private Calendar rather than to have night sessions?

Mr. RAINEY. Conference reports will be coming in.

Mr. STAFFORD. Can not bills on the Private Calendar be considered after the conference reports are acted upon?

Mr. RAINEY. That might be possible.

Mr. STAFFORD. It is rather exacting on Members to be here five or six hours, and I am sure the majority leader will realize that an added two hours at an evening session is quite a strain.

Mr. RAINEY. I appreciate that fact.

Mr. STAFFORD. What is planned for to-morrow?

Mr. RAINEY. There is no plan, except some conference reports may be taken up.

Mr. STAFFORD. Why not consider bills on the Private Calendar to-morrow?

Mr. BLANTON. Will the gentleman yield?

Mr. STAFFORD. For the time being I object.

Mr. BLANTON. Unless bills on the Private Calendar are taken up to-night, it will not serve any purpose to take them up later.

Mr. STAFFORD. Oh, yes.

Mr. BLANTON. Congress will probably adjourn this week.

Mr. LAGUARDIA. Oh, no.

Mr. BLANTON. Yes; I think it will.

Mr. LAGUARDIA. No; not until we pass a relief bill.

Mr. STAFFORD. I think we can find time during day sessions to consider the Private Calendar.

Mr. RAINEY. To-morrow is Calendar Wednesday.

Mr. STAFFORD. For the time being, I object, Mr. Speaker.

THE REPUBLICAN PROMISES AND FACTS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I herewith print in parallel columns,

without comment, some expressions from recent Republican platforms, and also some extracts from speeches of President Hoover and Senator DICKINSON.

THE DEADLY PARALLEL

"A Democratic tariff has always been followed by business adversity; a Republican tariff by business prosperity." (Republican national platform of 1904.)

"... Through the wisdom of Republican policies and the capacity of Republican administrations the foundations have been laid and the greatness and prosperity of the country firmly established." (Republican national platform of 1928.)

"We produced a fundamental program which made this restored employment secure on foundations of prosperity." (Speech of Candidate Hoover, Newark, N. J., September 17, 1928.)

"Were it not for sound governmental policies and wise leadership, employment conditions in America would be similar to those existing in many parts of the world." (Speech of Candidate Hoover, Newark, N. J., September 17, 1928.)

"Herbert Hoover was at grips with the forces of depression before the country as a whole had time to realize the menace it faced." (Keynote speech of Senator DICKINSON, Chicago convention, June 14, 1932.)

"His (President Hoover's) first act prevented a financial panic." (Keynote speech of Senator DICKINSON.)

"To this end he (the President) summoned to the White House industrial leaders of the Nation and obtained from them a promise to maintain existing wage scales as long as it was possible to do so." (From keynote speech of Senator DICKINSON.)

"More than 2,000,000 families in the United States earn their living to-day producing goods for export, and another million families earn their living in the manufacture of raw materials which we import in exchange for our exports." (Speech of Candidate Hoover, Newark, N. J., September 17, 1932.)

In order to show the extravagant promises made by the Republican Party four years ago I herewith also include the following article from the Baltimore Evening Sun, reproducing word for word the full-page advertisements printed in behalf of Mr. Hoover when he was campaigning four years ago.

"We meet in a period of widespread distress and of an economic depression that has swept the world. The emergency is second only to that of a great war. The human suffering occasioned may well exceed that of a period of actual conflict."

"The supremely important problem... is to break the back of the depression... and to bring encouragement and relief to the thousands of American families that are sorely afflicted." (Republican national platform of 1932.)

On June 4, 1932, President William Green, of the American Federation of Labor, said that a survey showed the number of unemployed in the United States in March was 10,500,000.

"I need not recount to you that the world is passing through a great depression... Our economic strength is such that we could have recovered long since but for these forces from abroad." (Speech of President Hoover, Detroit, September 21, 1931.)

"The tide of employment has changed in the right direction." (President Hoover, January 21, 1930.)

"The low point of business and unemployment was the latter part of December and early January... All the evidences indicate that the worst... will have been passed during the next 60 days." (President Hoover, March 7, 1930.)

"The depression is but a temporary halt in the prosperity of a great people. The income of a large part of our people has not been reduced." (President Hoover, October 2, 1930.)

"We find fundamental national gains. There has been a distinct gain in public health." (President Hoover, December 8, 1931.)

For 1931 Federal Reserve Board reported 2,290 bank suspensions, with deposits of \$1,759,000,000, as compared with 642 suspensions and deposits of \$234,532,000 in 1929. Question: What constitutes a "financial panic"?

On December 30, 1931, the American Federation of Labor informed the Senate Committee on Manufactures that wage losses in the United States in 1931 as compared with 1929 were \$11,000,000,000 for wage-earning class and \$7,000,000,000 to \$9,000,000,000 additional for the salaried workers.

Total foreign commerce for first five months of 1932 was \$1,363,969,000 as compared with \$4,162,725,000 for first five months of 1929. Decrease, \$2,798,756,000, or more than two-thirds. (From official reports, United States Department of Commerce.)

[The Evening Sun, Friday, June 17, 1932]

Do you remember when—

"A CHICKEN FOR EVERY POT"

"The Republican Party isn't a 'poor man's party.' Republican prosperity has erased that degrading phrase from our political vocabulary.

"The Republican Party is equality's party—opportunity's party—democracy's party, the party of national development, not sectional interests—the impartial servant of every State and condition in the Union.

"Under higher tariff and lower taxation America has stabilized output, employment, and dividend rates.

"Republican efficiency has filled the workingman's dinner pail—and his gasoline tank besides—made telephone, radio, and sanitary plumbing standard household equipment. And placed the whole Nation in the silk-stocking class.

"During eight years of Republican management we have built more and better homes, erected more skyscrapers, passed more benefactor laws, and more laws to regulate and purify immigration, inaugurated more conservation measures, more measures to standardize and increase production, expand export markets, and reduce industrial and human junk piles than in any previous quarter century.

"Republican prosperity is written on fuller wage envelopes, written in factory chimney smoke, written on the walls of new construction, written in savings-bank books, written in mercantile balances, and written in the peak value of stocks and bonds.

"Republican prosperity has reduced hours and increased earning capacity, silenced discontent, put the proverbial 'chicken in every pot.' And a car in every back yard, to boot.

"It has raised living standards and lowered living costs.

"It has restored financial confidence and enthusiasm, changed credit from a rich man's privilege to a common utility, generalized the use of time-saving devices, and released women from the thrall of domestic drudgery.

"It has provided every county in the country with its concrete road and knitted the highways of the Nation into a unified traffic system.

"Thanks to Republican administration, farmer, dairyman, and merchant can make deliveries in less time and at less expense, can borrow cheap money to refund exorbitant mortgages, and stock their pastures, ranges, and shelves.

"Democratic management impoverished and demoralized the railroads, led packing plants and tire factories into receivership, squandered billions on impractical programs.

"Democratic maladministration issued further billions on mere 'scraps of paper,' then encouraged foreign debtors to believe that their loans would never be called, and bequeathed to the Republican Party the job of mopping up the mess.

"Republican administration has restored to the railroads solvency, efficiency, and par securities.

"It has brought the rubber trades through panic and chaos, brought down the prices of crude rubber by smashing monopolistic rings, put the tanner's books in the black and secured from the European powers formal acknowledgment of their obligations.

"The Republican Party rests its case on a record of stewardship and performance.

"Its presidential and congressional candidates stand for election on a platform of sound practice, Federal vigilance, high tariff, constitutional integrity, the conservation of natural resources, honest, and constructive measures for agricultural relief, sincere enforcement of the laws, and the right of all citizens, regardless of faith or origin, to share the benefits of opportunity and justice. "Wages, dividends, progress, and prosperity say, 'Vote for Hoover.'"

The stirring description of Elysium printed above is a word-for-word reprint of one of the full-page advertisements printed in behalf of Mr. Hoover when he was campaigning four years ago. In view of the fact that he was yesterday renominated by the Republican convention, the material has a certain piquant interest.

SPEAKER GARNER

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for one-quarter of a minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. I simply want to take this opportunity of extending the felicitations of the minority Members of the House on the return of our Speaker to his accustomed duties. [Applause.]

We hope he has entirely recovered his health and will be with us the balance of the session.

The SPEAKER. The Chair congratulates the House on this exhibition of Christian spirit. [Laughter and applause.]

For the past five or six days the Chair has had an opportunity to think calmly and uninterruptedly for the first time in six months, and he has come to a final conclusion on one subject, and that is that the greatest blessing God can give man is health. [Applause.]

The Chair wishes every Member of this House the greatest of blessings, good health.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I present a privileged report from the Committee on Accounts (H. Res. 202).

The Clerk read as follows:

Resolved, That there shall be paid, out of the contingent fund of the House, not to exceed \$25,000 for the expenses of the select committee appointed under authority of House Resolution 201 to investigate the campaign expenditures of the various candidates for the House of Representatives in both parties.

With the following committee amendment:

Line 2, strike out "\$25,000" and insert in lieu thereof "\$10,000."

Mr. WARREN. Mr. Speaker, I think it is appropriate for me to call the attention of the House and to again remind Members that when we pass resolutions calling for investigations they cost money.

Each year in the legislative appropriation bill there is set aside the sum of \$50,000 for the appointment of special and select committees. I wish to inform the House that if we pass the resolutions to-day, which have come out of the Committee on Accounts, this special fund for the fiscal year of 1933 will be overdrawn by approximately \$25,000, and that we must hastily secure an estimate from the Budget and go to the Senate and increase our fund by that much. Of course, it is nothing new for the House to exceed that amount.

During the fiscal year 1931 there was expended for investigations \$105,000. During the fiscal year 1932 there was expended \$70,000, and inclusive of the two resolutions I am now presenting there will be expended during the fiscal year 1933 the sum of \$75,000. This particular resolution called for the expenditure of \$25,000. So far as I now recall the first committee set up by the House to investigate campaign expenses was in 1929, and I believe the gentleman from New Jersey [Mr. LEHLBACH] was the chairman of that committee. The Committee on Accounts authorized \$20,000 for that investigation, but there was actually spent \$4,775.69. In 1931 a similar committee was set up by the House, again under the chairmanship of the gentleman from New Jersey [Mr. LEHLBACH], and \$10,000 was authorized. However, that committee did not spend five cents. The Committee on Accounts has amended this resolution to authorize the expenditure of \$10,000.

Mr. SNELL. Will the gentleman yield?

Mr. WARREN. Yes.

Mr. SNELL. I compliment the chairman of the Accounts Committee for cutting down the amount. Probably the committee will not spend much this year, but I think it is proper that such a committee should be set up so that if there is any reason for an investigation there is some source to which we may go. I would like to ask the gentleman how many investigations we have going at the present time.

Mr. WARREN. We have the investigation which was authorized by an almost unanimous vote, coming from the Committee on Interstate and Foreign Commerce, in reference to holding companies. We have the investigation of the silver question being conducted by the Committee on Coinage, Weights and Measures. That investigation was approved by the almost unanimous vote of the House. Then we have this one for campaign expenditures and then we have the Shannon committee.

Mr. BLANTON. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. BLANTON. Outside of the regular hearings by our regular committees I want to ask the gentleman if he considers that any good has come from all of the investigations that have been authorized, such as the coal investigation, which cost \$600,000, the Graham of Illinois investigation, and the Walsh investigation, which cost hundreds of thousands of dollars, and all the others we have had in the last 12 years? Does the gentleman know of one single thing that has been accomplished by such investigations or any good that has come from them?

Mr. WARREN. Frankness compels me to say I do not.

Mr. BLANTON. I hope we will stop this continual expenditure of money for investigations that accomplish nothing.

Mr. MICHENER. Will the gentleman yield?

Mr. WARREN. Yes.

Mr. MICHENER. I agree with what the gentleman has just said, especially with respect to his response to the gentleman from Texas. I want to call the gentleman's attention to the fact that the next order of business before the House this afternoon will be House Resolution 226, which provides for another one of these investigations. The committee provided for in the resolution is given unlimited authority to go anywhere and investigate anything which the committee might think advisable. I hope the gentleman will join with us on this side in trying to conserve the resources of the country and not create another investigating committee at this time.

Mr. WARREN. I know nothing about that resolution, but I am certainly open to reason on it.

Mr. UNDERHILL. Will the gentleman yield?

Mr. WARREN. Yes.

Mr. UNDERHILL. I intended to wait until the Sabbath resolution was offered before presenting to the House a few facts with reference to what we have been doing in the House in the last four years. Up to four years ago the House authorized occasional investigating committees, but in the last few years the House has been as crazy as the Senate was four years ago in appointing special committees, and the expense has been tremendous. None of these committees has accomplished much of anything. These investigations lead nowhere. I have continually opposed them in the Committee on Accounts, but we can not stop them in the Committee on Accounts. The House authorizes these committees, and that is a mandate to the Committee on Accounts to provide a sufficient sum to carry on the work of those committees. All of the committees established have cost in the neighborhood of a half-million dollars, yet there has not been one single constructive piece of legislation brought about, so far as I have been able to learn.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. COCHRAN of Missouri. The gentleman condemned all investigating committees of Congress that have been formed. I want to ask the gentleman this question: Does the gentleman mean to say that the Senate oil investigation was not of benefit to the country?

Mr. UNDERHILL. I am not responsible for what the Senate did or does. I would hate to have that on my conscience, but I am partially responsible for what the House does. These committees are asked for in the best of good faith, but when they get into the subject they find they can not accomplish what they expect to accomplish.

Mr. EATON of Colorado. If the gentleman will permit, I would like to draw the gentleman's attention to the action of the special committee of the Public Lands Committee in connection with the investigation of oil-shale matters during the Seventy-first Congress. We were denied any funds whatsoever, but that investigation was continued for months. Not only did actual good come out of it but hundreds of people who had been denied their rights had their claims adjusted, and there was a change in the personnel of the department concerned. Yet the Committee on Accounts refused to recognize that special committee and refused to give it any money.

Mr. UNDERHILL. That proves that the regular committees of this House can function and carry on public business without special committees and additional expense. If the standing committee to which the gentleman has referred could accomplish such good results, then all the rest of the committees can function equally well.

Mr. WARREN. In response to the inquiry made by the gentleman from New York, I omitted to state that the House has already authorized an investigation with reference to Judge Louderbach in California.

I wish to say in this connection that the Judiciary Committee came in here and had passed a resolution, without

consulting the Committee on Accounts or its chairman, and it was passed by the House without our knowledge. Of course, the money would, no doubt, have been authorized; but as a courtesy to the Committee on Accounts, the Judiciary Committee should certainly have come to the Accounts Committee.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. LA GUARDIA. I am sure that on reflection the gentleman will realize that on a matter as delicate and as specialized as that of the judicial conduct of a judge, the Committee on the Judiciary must act and can not refrain from acting by consulting another committee.

Mr. UNDERHILL. That has been the general practice.

Mr. LA GUARDIA. We have not yet asked for an appropriation. Of course, I am speaking for myself, because I can not speak for the committee, but we can not submit any review of the necessity of investigating the judicial conduct of a judge to any other committee.

Mr. WARREN. The gentleman entirely misunderstands.

Mr. LA GUARDIA. And the Committee on the Judiciary is the only place where the conduct of a judge may be subjected to scrutiny. There is no other source, and it is not a pleasant duty.

Mr. WARREN. The Committee on Accounts does not review such things. We merely determine, after the House has acted, how much money shall be authorized.

Mr. LA GUARDIA. Exactly. I do not believe we have come to the gentleman's committee for any appropriation.

Mr. WARREN. You do not have to now. That is just the point.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Insert after the last word, in line 5, a colon and the following: "Provided, The official committee reporters shall serve said committee at its meetings in the District of Columbia."

Mr. STAFFORD. Mr. Speaker, will the gentleman explain the reason for this amendment? It is somewhat unusual in this character of resolution to insert such a provision requiring the committee reporters to serve.

Mr. COCHRAN of Missouri. The House has on an annual basis reporters of committees; and where a special committee can secure the services of the official committee reporters, the Committee on Accounts felt they should serve such special committee instead of having the money which is usually paid for such services paid to outside help.

Mr. STAFFORD. This is the first time I have known of any such limiting provision incorporated in a resolution.

Mr. COCHRAN of Missouri. This is an economy year.

The committee amendment was agreed to.

The resolution was agreed to.

Mr. WARREN. Mr. Speaker, I offer another privileged resolution (H. Res. 271) from the Committee on Accounts.

The Clerk read as follows:

House Resolution 271

Resolved, That the expenses of conducting the investigation authorized by House Resolution 235, creating a special committee to investigate Government competition with private enterprise, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts, but shall not exceed \$15,000.

With the following committee amendments:

In line 7, strike out "\$15,000" and insert "\$10,000."

Insert after the last word in line 7 a colon and the following:

"Provided, The official committee reporters shall serve the said committee at its meetings in the District of Columbia."

The amendments were agreed to.

The resolution was agreed to.

AGRICULTURAL APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I call up the bill (H. R. 7912) making appropriations for the Department of Agri-

culture for the fiscal year ending June 30, 1933, and for other purposes, with Senate amendments.

The Clerk read the title of the bill.

Mr. SIMMONS. Mr. Speaker, I make the point of order, a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-four Members present, not a quorum.

Mr. SANDLIN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 104]

Abernethy	Doutrich	Honor	Shreve
Aldrich	Doxey	Hull, William E.	Sirovich
Arentz	Drane	Igoe	Smith, W. Va.
Bacon	Drewry	Johnson, Ill.	Somers, N. Y.
Beck	Erk	Johnson, Wash.	Spence
Bohn	Estep	Keller	Sullivan, Pa.
Boylan	Finley	Lehlbach	Swing
Brand, Ga.	Fish	Lewis	Thurston
Britten	Flannagan	Luce	Tierney
Brumm	Foss	McGugin	Tilson
Buchanan	Free	Magrady	Tinkham
Buckbee	Freeman	Manlove	Tucker
Carter, Wyo.	Gasque	May	Turpin
Collier	Gifford	Murphy	Wason
Colton	Gillen	Norton, Mrs.	Watson
Connery	Glover	Owen	Weeks
Corning	Golder	Peavey	White
Crosser	Goodwin	Pratt, Harcourt J.	Wigglesworth
Crowther	Hart	Pratt, Ruth	Williams, Tex.
Crump	Hartley	Reid, Ill.	Wood, Ind.
Curry	Hastings	Rogers, N. H.	Yon
De Priest	Hawley	Romjue	
Dickinson	Hess	Sabath	
Douglas, Ariz.	Hogg, W. Va.	Schafer	

The SPEAKER pro tempore (Mr. WOODRUM). Three hundred and twenty-five Members have answered to their names. A quorum is present.

Mr. SANDLIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 28, line 19, strike out "\$9,677,562" and insert "\$9,688,762."

Mr. SANDLIN. Mr. Speaker, I offer the following motion. The Clerk read as follows:

Mr. SANDLIN moves that the House recede from its disagreement to the Senate amendment numbered 14 and agree to the same with an amendment, as follows:

"In lieu of the sum proposed by said amendment insert \$9,678,762."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read Senate amendment No. 15, as follows:

Page 30, line 13, strike out "\$12,282,422" and insert "\$12,293,622."

Mr. SANDLIN. Mr. Speaker, I make the following motion. The Clerk read as follows:

That the House recede from its disagreement to the Senate amendment numbered 15 and agree to the same with an amendment as follows:

"In lieu of the sum proposed in said amendment insert \$12,283,622."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read Senate amendment No. 30, as follows:

Page 40, line 20, strike out "\$5,338,138" and insert "\$4,980,874."

Mr. SANDLIN. Mr. Speaker, I offer the following motion. The Clerk read as follows:

Mr. SANDLIN moves that the House recede from its disagreement to the Senate amendment numbered 30, and agree to the same with an amendment, as follows:

"In lieu of the sum proposed in said amendment insert \$4,930,874."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read Senate amendment No. 56, as follows:

Page 58, line 1, strike out "\$2,627,095" and insert "\$2,481,700."

Mr. SANDLIN. Mr. Speaker, I offer the following motion. The Clerk read as follows:

Mr. SANDLIN moves that the House recede from its disagreement to Senate amendment No. 56, and agree to the same with an amendment, as follows:

"In lieu of the sum proposed in said amendment insert \$2,471,700."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 77: Page 87 of the bill, after line 6, insert:

"For the application of such methods of control of grasshoppers as in the judgment of the Secretary of Agriculture may be necessary, in cooperation with such authorities of the States concerned, organizations, or individuals as the Secretary may deem necessary to accomplish such purposes, including the employment of persons and means in the District of Columbia and elsewhere, printing, rent outside of the District of Columbia, and for other expenses, to be immediately available, \$1,450,000, of which not to exceed \$8,000 may be expended for personal services in the District of Columbia: *Provided*, That except for general administration and supervision, in the discretion of the Secretary of Agriculture, expenditures under this appropriation shall be limited to the purchase and transportation of poisoned bait, or materials for its manufacture, and that the cooperating States shall be responsible for the local distribution and utilization of such bait, including full labor costs: *Provided further*, That in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for grasshopper control in any State until such State has provided the necessary organization for the cooperation herein indicated: *And provided further*, That no part of this appropriation shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed."

Mr. SANDLIN. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendment numbered 77.

Mr. SIMMONS. Mr. Speaker, I offer the following preferential motion which I send to the desk.

The Clerk read as follows:

Mr. SIMMONS moves that the House recede from its disagreement to Senate amendment No. 77 and agree to the same with the following amendment:

In lieu of the matter inserted by such amendment, insert the following:

"GRASSHOPPER CONTROL"

"For aiding States in the application of such methods for the control of grasshoppers as in the judgment of the Secretary of Agriculture may be necessary to prevent crop losses, \$600,000, to be immediately available: *Provided*, That no part of this appropriation shall be expended (a) by State officials for purposes other than the purchase and transportation of poison bait or materials used in its manufacture, (b) for the payment for any such bait or materials except that which may be contracted for subsequently to the date of the enactment of this act, or (c) for labor in the local distribution or application of any such bait or materials except upon the public domain: *Provided further*, That before payment by the Department of Agriculture for poison bait or materials purchased by any State, all such purchases shall be certified by the head of the State agricultural college and the State entomologist or two comparable State officials responsible for its use: *Provided further*, That in the discretion of the Secretary of Agriculture no part of this appropriation shall be expended for grasshopper control in any State until the necessary State or local organizations for cooperation in carrying out the purposes of this paragraph has been established: *Provided further*, That in no event shall the Federal Government be responsible for the use or application of such poison bait or be liable to any State or any political subdivision thereof, or to any organization, individual, firm, or corporation, for any loss or damage resulting from the spreading or application thereof."

Mr. SANDLIN. Mr. Speaker, most of the Members of the House know this amendment covers what is known as the grasshopper pest. My motion is that the House further insist upon its disagreement. I think the matter has been thoroughly discussed on two different occasions, and most of the Members of the House know what is presented in the motion of the gentleman from Nebraska. Does the gentleman from Nebraska desire any time?

Mr. SIMMONS. I ask the gentleman to yield me 15 minutes.

Mr. SANDLIN. Mr. Speaker, I yield 15 minutes to the gentleman from Nebraska [Mr. Simmons]. At the conclu-

sion of his remarks I shall yield 15 minutes to the gentleman from Tennessee [Mr. BYRNS], and at the conclusion of his remarks I shall move the previous question.

Mr. SIMMONS. Mr. Speaker, this matter has been before the House on one other occasion for discussion. At that time it contemplated an appropriation of \$750,000, to be used by the Secretary of Agriculture in an effort to control the grasshopper outbreaks in the Western States. The House rejected that plan. We are before the House to-day with a plan whereby \$600,000 and not \$750,000 is to be appropriated, to be used by the Secretary of Agriculture in aid of those States that are now putting on a campaign. The proposal that we had before on the other occasion did not have the approval of the Secretary of Agriculture. The plan that we now submit has the approval of the Secretary of Agriculture, and in my time I ask that the Clerk read the following letter from the Secretary of Agriculture to Mr. BYRNS on this amendment.

The SPEAKER pro tempore. Without objection, the Clerk will read.

There was no objection, and the Clerk read as follows:

JUNE 20, 1932.

HON. JOSEPH W. BYRNS,

House of Representatives, Washington, D. C.

DEAR MR. BYRNS: With reference to the proposed appropriation of \$600,000 for grasshopper control, I desire to call your attention, and that of your committee to the developments and present status of this proposal.

On June 10 I directed a letter to Hon. J. B. BUCHANAN in which I recounted the many efforts of this department to secure from Congress the authority and the funds to carry out a campaign of grasshopper control under Federal direction. Those efforts persisted from February 4, when the President sent to Congress the original draft for the appropriation, down to May 14, when the Chief of the Bureau of Entomology, Dr. C. L. Marlatt, and I appeared before a group of interested Representatives and stated that unless the authority and the funds were made immediately available any Federal control campaign would, on account of the lateness of the time, be ineffective. Congress failed to grant the authority and the funds and this department accordingly advised the States that a program carried out under Federal direction would be impossible.

It appears now that several of the States immediately embarked upon State programs of control, using such means and such funds as were available. The season in the States affected has been later than was anticipated, and the stage of development of the grasshoppers has been thereby retarded. The States and local subdivisions thereof are in many instances seriously hampered by lack of funds.

For the last week the department has had its agents engaged in making field surveys of the situation. Based upon their reports, it now appears that while it is too late to conduct a control campaign under Federal direction, much good can be accomplished and considerable of the crop prospects saved by grants of funds to aid the States financially in the purchase of poisoned bait or materials therefor, thus availing ourselves of the machinery set up by the States or counties and supplementing them beyond the point where their resources might otherwise fail.

From the foregoing considerations I have the honor to recommend the appropriation of a suitable sum, say \$600,000 which may be used to assist the States affected in the purchase, after this date, of poisoned bait.

Sincerely,

ARTHUR M. HYDE, *Secretary.*

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. PURNELL].

Mr. PURNELL. Mr. Speaker, I want to say frankly that when this grasshopper item was first called to my attention I took the same view that many other Members of the House took. I was inclined to treat it lightly and as a joke. However, I have given the matter more than perfunctory consideration since that time and am firmly convinced that the great Northwest is threatened with a real devastating menace if something is not done by the Federal Government to help those States. The letter of the Secretary of Agriculture has just been read, but I am afraid few Members on the floor got the real purport of it. The Secretary began as far back as February an effort to bring the Federal Government into this picture.

It is true that in May when a subsequent effort was made to revive the matter he advised that it was entirely too late then for the Federal Government to effectively take part, but since that time, I call the attention of the House to the fact the Secretary of Agriculture has had his agents out in the Northwest section and has determined, notwithstanding

the lateness of the season, that the Federal Government can now join with the States and help them very materially in their own program to curb these pests. I would be a very ungrateful person indeed if I did not take the floor at this time and make an appeal to the membership of the House to support the motion of the gentleman from Nebraska, since I appeared on the floor of this House a number of times and appealed to the membership in behalf of the great Corn Belt to have the Government help in protecting us from the corn borer. I hope the gentleman's amendment will be agreed to.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN. Mr. Speaker and Members of the House, during the past two discussions of this proposition a large number of Members have considered the matter more or less as a joke, but I appear before you to-day in all seriousness and ask your aid in trying to do something to save the growing crops of eight States in the Middle West. The grasshopper menace has become so bad that millions of acres of growing crops will be destroyed unless cooperation is given by the Federal Government to aid the States and the individuals in the States to do something to control this pest. Gentlemen, you will be interested to learn that the State of Minnesota has taken \$150,000 out of its treasury to fight the grasshoppers in our State. The business men of St. Paul and Minneapolis have pledged \$500,000 to fight this pest in the States of Minnesota, North Dakota, South Dakota, and Montana, so it will be seen that there is local contribution as far as Minnesota is concerned. I hope the House to-day will approve this amendment for \$600,000 as a Federal contribution to help those States fight this pest.

What does it mean if we are not able to control the grasshopper situation in these agricultural States? It simply means that the \$22,000,000 which the Government has already invested in loans for seed for these growing crops which are now being destroyed will be lost to the Government. It will mean that millions and hundreds of millions of dollars invested in real-estate mortgages by the Government there will be lost, in addition to the interest on the money which the Federal Government has loaned. Therefore I appeal to you to support the motion of the gentleman from Nebraska. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I do not think the Members of this House can accuse me of being one of those who has ever advocated that the Federal Government go entirely out of its sphere to aid the States; but I remember that the people down in my State in the past have been afflicted with the boll weevil, with the pink bollworm, with predatory animals that were destroying our property. The Congress of the United States came generously to our help and did untold service for us. I do not think that this proposal for money to be expended to exterminate pests in the States that are afflicted goes any further out of the way than a hundred things we have already done in Congress. I therefore believe it is the duty of this House, in the light of what we have done in the past, to come to the help of these people whose crops are being ravaged by the grasshopper.

I have seen the ravages of these grasshoppers in my own district, and I know that there is nothing that is as great a blight to crops as the grasshopper. I have lived in an agricultural section all my life, and I do trust that this House in its wisdom will come to the aid of these people whose acres are being laid bare by the ravages of the grasshopper. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. SIMMONS. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, it may seem strange for a city Member to be interested in this difficulty under which the people of the Northwest are suffering. I am willing to vote for this appropriation because I believe the menace is

serious and is worthy of the support of the city Members; but I want to change the scene a bit, and I want to draw the attention of the gentleman from Kansas [Mr. HOPK], and the other gentleman from Kansas [Mr. MCGUGIN], and the gentleman from North Dakota [Mr. BURNETT] to a situation that developed in the House the other day when the gentlemen from those agricultural States refused to help those who came from the larger cities on the question of the distribution of flour by the American Red Cross, with the privilege to the Red Cross of exchanging that flour for food, for the poor starving families of New York City, Chicago, Boston, and the other large cities.

I will vote for this amendment, but I want you gentlemen to remember that I helped, and when the time comes you help us. [Applause.]

[Here the gavel fell.]

Mr. SIMMONS. Mr. Speaker, I yield one minute to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I have only recently returned from the Northwest, and I say to the House that the situation up there with reference to the grasshopper menace is very, very serious. The Federal Government has in the past several years made advances to the farmers of the Northwest. Last year vast areas of the Northwest were destroyed by drought. If the crop is destroyed this year by the grasshoppers, the Government will recapture but a small part of the money that has been advanced for seed and feed. If our wheat crop is destroyed for the want of \$600,000 to control the grasshopper situation, it will be reflected in an increase in the cost of food to the people of the big cities. It is a business proposition, my friends, and I appeal to you to help us get this appropriation so that we may control the situation there. [Applause.]

[Here the gavel fell.]

Mr. SIMMONS. Mr. Speaker, I yield one minute to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Speaker, like the gentleman from Texas, I had a sad personal experience with grasshoppers. When I was a small boy my parents located on the extreme frontier of northwestern Kansas, and for three years everything we planted was eaten by grasshoppers. We were compelled to practically walk out of that country, disheartened and completely bankrupt, so I know what this scourge is. Four years ago we had an invasion or scourge of large black crickets in my district in northwestern Colorado. I went before the Agricultural Appropriations Committee and they gave me an appropriation of \$8,000 for three different years. And the officials of the Department of Agriculture superintended the work and the local people did the actual work for three consecutive years, and they have completely wiped them out. It is money well spent, and I hope the House will grant this appropriation. The people of that devastated region are entitled to this relief. [Applause.]

[Here the gavel fell.]

Mr. SIMMONS. Mr. Speaker, I yield one minute to the gentleman from Montana [Mr. EVANS].

Mr. EVANS of Montana. Mr. Speaker, I trust the Members, particularly on my side of the House, will give this matter consideration. There are four or five States, in particular the Dakotas and Montana, that are absolutely under this scourge. You do not have any idea, if you never saw it, what the grasshopper scourge is. As I boy I saw them for a week when we could not see the sun. I saw them when you could not leave your hat or coat on the fence without having it chewed to pieces. I saw them when they actually ate rake handles and pitchfork handles. I saw them leave nothing but a standing tree, which had leaves on it before. That is the condition to-day.

We are not beggars. We are simply afflicted with a scourge. We ask you people in the name of humanity to come to our rescue now, and see if we can not remedy this situation. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. Mr. Speaker, I yield 15 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, I have no more interest in this appropriation or in its defeat than any Member here. But I wish to say to the House, if the Committee on Appropriations can sit day after day in an effort to save the money of the people and then because a few Representatives from a limited section of the country ask an appropriation of \$600,000 for purposes not recommended by the committee, and it is appropriated over the protest of the committee, then there is nothing we can say. I do not believe the House will do it.

Mr. KNUTSON. Will the gentleman yield?

Mr. BYRNS. No; I can not yield for the moment. Let me make a connected statement, and then I will yield if I have the time.

What is the history of this appropriation? The gentleman from Nebraska, who seems never to realize that there ought to be a time when the Members of the House should not be called upon to continue to vote upon a proposition, came to me last February and he told me then when it was not authorized that if he did not get this appropriation by March 1 it would do no good; and then, later in March, told me April 1; and now here it is June 21, the middle of summer, and we are asked to vote \$600,000 out of the Treasury to kill grasshoppers. Senator SHIPSTEAD, in his telegram, which I will print in the RECORD, said if this appropriation were not made last week it would be too late; why insist on it now?

Mr. SIMMONS. Will the gentleman yield?

Mr. BYRNS. Yes; just briefly.

Mr. SIMMONS. I think this ought to be said—

Mr. BYRNS. Just for a statement.

Mr. SIMMONS. Just for a statement. At that time we were talking about a Federal campaign of control. Now we are asking money to help the States carry on their own campaigns.

Mr. BYRNS. The gentleman made his own explanation of that. I am coming to that feature.

What is the history of it? The Senate put this in for \$1,450,000. Then the gentleman from Nebraska offered a joint resolution authorizing \$1,000,000. A motion was made to suspend the rules and pass this resolution, and without debate a majority of the House refused to second the motion to suspend the rules. It came back to the House as part of the agricultural bill probably two weeks ago, and the gentleman from Nebraska moved to concur with an amendment reducing the appropriation to \$750,000, and the House by a record vote of 214 to 124, or a majority of 90, refused to adopt his amendment.

Then it went back to the Senate, and the Senate insisted on its appropriation of \$1,450,000, and we are now asked to appropriate \$600,000. I suppose if you vote this down you will be asked next time to vote \$400,000.

When are we going to have an end to this thing? When are we going to tell the Senate that we do not change our minds over here every other day? When is the Senate going to understand that the House of Representatives does not change its mind simply because somebody asks it to do so?

Now, what is the story? Mr. BUCHANAN printed in the RECORD a letter of the Secretary of Agriculture, and I am going to ask that all this correspondence go in the RECORD because I want to show you how in three days the Secretary of Agriculture has changed his mind and now would have you vote \$600,000 out of the Treasury without rhyme or reason and after he had told the House it could not be used. Who was it that brought about this change? Was it my friend from Nebraska, or was it the gentleman from Minnesota [Mr. ANDRESEN], or somebody else who went down there and got the Secretary of Agriculture to change his mind?

Mr. HOWARD. I did not.

Mr. BYRNS. And how is it—

Mr. SIMMONS. Will the gentleman yield?

Mr. BYRNS. I can not yield. And why is it that the Secretary of Agriculture, the head of a great department, who the gentleman from Nebraska or some other gentleman said had been investigating this matter since last February,

told you upon June 11 that it was entirely too late to do any good, and that the appropriation should not be made? Is this change of opinion keeping faith with the repeated appeals of the President to reduce appropriations? Is the President to be put in a false position by one of his own Cabinet members? I know what I would do under such circumstances, if I were President.

Mr. SIMMONS. Will the gentleman yield?

Mr. BYRNS. I can not yield, and I hope the gentleman will not interrupt me further. I want to be courteous to the gentleman, but I want him to be courteous to me and respect my wishes.

Mr. SIMMONS. The gentleman asked a question, and I want to answer it.

Mr. BYRNS. Well, I ask the gentleman to please let me proceed. I know the gentleman's object, but I am not going to let him disturb my presentation of the matter from my viewpoint.

Here is the letter from the Secretary of Agriculture printed in the RECORD upon June 11, in which the Secretary says that it is too late to use this fund.

I hold in my hand a telegram written in confirmation of that letter. The telegram is dated June 16, last Thursday. What does it say? It says:

HON. JAMES P. BUCHANAN,
Washington, D. C.:

Present information does not justify change in department's attitude regarding grasshoppers expressed letter to you.

ARTHUR M. HYDE,
Secretary of Agriculture.

No later than last Thursday he sent that telegram. Yet, on Monday, on yesterday, I received the letter which has been read here. Now, what has come over the spirit of the dream of the Secretary of Agriculture? What information has he had since last Thursday that caused him to change his mind and ask you who voted yesterday to cut the salaries of Government employees \$100,000,000, to appropriate \$600,000 out of the Treasury to please a few of our esteemed friends upon this floor?

If you are in favor of economy here is a chance to show it. I hate to oppose this appropriation. There sits my good friend, the gentleman from Nebraska, Mr. HOWARD, who has made an earnest fight for this appropriation and for whom we all have a high regard. There are other friends, like the gentleman from Nebraska, Mr. SHALLENBERGER, and Mr. MOREHEAD, who are insistent about this matter; but if you wait to get everybody to agree to a cut in an appropriation, you will never get anywhere.

What does the Secretary say in his letter written yesterday? He says they have established clubs and organizations out there in a few States who can use this money and he wants us to hand it over to them. We have heard a great deal about the dole. We have heard a great deal in opposition to the dole, but this is nothing more nor less than a dole to these organizations.

The Secretary, in this letter, proposes to take the \$600,000 and turn it over to organizations out there in these States organized to fight this pest. I wonder if politics has had anything to do with this sudden change of mind on the part of the Secretary. One thing I do know and that is that there are many Republicans in this House who are not going to let politics control them in voting on this or any other appropriation.

If you start this sort of business and if you set this sort of precedent—and this is the first time it has ever been proposed to turn over Federal money in this manner, so far as I know—you are going to be besieged by every State in the Union. Every time they find a new bug in some State they will be rushing here for a Federal appropriation. They came here from Florida and they got an appropriation for the Mediterranean fruit fly. They spent something like \$8,280,000 and it turned out that most of it was wasted, and Congress is now being asked to appropriate millions of dollars to pay damages alleged to have been caused by the poison which was used. They talk about the corn borer and I think it was \$17,000,000 that was spent on that, though I

am not sure, and it turns out now that the only commercial injury that was ever done by the corn borer was on some sweet corn near Baltimore, and that is admitted by some of the experts of the Department of Agriculture.

I have no interest as against this proposition but I am interested in conserving the Public Treasury. I have been to my home in the last few days, and I want to tell you that every man I saw there damned Congress for not making reductions in appropriations. They were complaining because Congress had not reduced appropriations in a greater amount. That is the way the people are talking over the country, although not deserved. I am here to tell you that you never voted for a more indefensible proposition in your lives when you vote for this proposition, because you are simply taking \$600,000 from the taxpayers in other States and turning it over to organizations in certain States, where it will be under State or possibly private control, and over which the Government has no control. If you vote for this you hand it over to them and tell them to spend it as they please. That is the whole proposition. You are setting a precedent, gentlemen, that is going to haunt you.

I want to ask this House, in view of its former vote, when by a record vote of 90 majority it turned this down, having before that defeated it by a big majority, how long is it expected that the United States Senate will continue to send this appropriation over here? Let us have an end to it. Gentlemen, this is the middle, or nearly the last, of June. You are practical men. Talk to me about making an appropriation now, which will not be available for 10 days, to kill grasshoppers. If they have done any damage it has already been done. If they have created any damage out there it is too late to avoid it. Why was it not brought up sooner? This agricultural bill was held by the Senate for several weeks. Why did they not send it over here?

I am opposing this amendment because the Secretary of Agriculture wrote his letter of June 11 after investigation and told us that it was unnecessary and he could not use it. I am against it because the Secretary of Agriculture was the first man to send a letter here telling us not to make this appropriation because he could not use it effectively. If he has changed his mind in three days because somebody has seen him, I want to say to him that I have not changed mine and I am not going to change mine under those circumstances. If every State is coming here because they have a pest or plague and ask the United States Government to help, not to send its experts, not to use its own officials, but to vote money to turn over to some State or private organization over which it has no control, you will not have enough money to meet those requests and those demands.

Gentlemen, the time has come when we should stop. We have wasted millions of dollars. Take this agricultural appropriation bill, and you will find in it thousands and hundreds of thousands of dollars that have been appropriated from year to year for killing barberry bushes and things of that kind. Start this and they will be asking us next December for four or five times this amount and you will find, if you live long enough, that it will be 30 or 40 years before you ever get to the end. Let us practice economy and vote this down. [Applause.]

The correspondence referred to is as follows:

BUREAU OF ENTOMOLOGY,
June 10, 1932.

HON. JAMES P. BUCHANAN,
House of Representatives.

DEAR MR. BUCHANAN: This is to confirm my verbal statement made at our conference of yesterday, that it is now too late for the department to carry on an effective control campaign against grasshoppers as provided in the estimate for an appropriation for this purpose.

The essential feature of any control campaign against grasshoppers is to poison the young locusts as they first emerge from the egg beds and before they have any opportunity to migrate from such areas into the fields. The grasshoppers have now hatched in practically all parts of the areas where heavy infestations were anticipated and a large portion of them have moved from the hatching areas. Since this dispersion has taken place, and because of the delays incident to the organization of a Federal campaign and the securing of the necessary supplies and

materials, the opportunity for effective control under Federal direction is now lost.

It will be recalled that the original estimate submitted under date of February 4 pointed out that the campaign should be carried on in the spring. This fact was also explained at the time this item was discussed before the Senate committee on February 13. The need of prompt action was stressed on May 2 in connection with the hearing on the joint resolution (H. J. Res. 377) before the House Committee on Agriculture. It was further emphasized in my letter to Congressman MARVIN JONES of May 7, at which time I stated: "If, therefore, the moneys under consideration were now available, even under the most favorable circumstances of completing contracts and securing of supplies . . . there is obviously a risk that this delay would materially lessen the success of the effort." The need of prompt action was further stressed on May 14 when, accompanied by Doctor Mariatt, Chief of the Bureau of Entomology, I discussed this question with a group of Representatives and Senators at a conference called by Congressman SIMMONS. The decisive action regarding the appropriation for grasshopper control taken by the House on May 16 appeared to close the door to any Federal appropriation for grasshopper control, and accordingly on May 18 I sent letters to the governors of various States suggesting that the States, counties, and persons in interest prepare to carry on the necessary control campaigns.

Sincerely,

ARTHUR M. HYDE, Secretary.

CHICAGO, ILL., June 16, 1932.

HON. JAMES P. BUCHANAN,

Washington, D. C.:

Present information does not justify change in department's attitude regarding grasshoppers expressed letter to you.

ARTHUR M. HYDE,
Secretary of Agriculture.

DEPARTMENT OF AGRICULTURE,
Washington, June 20, 1932.

HON. JOSEPH W. BYRNS,

House of Representatives, Washington, D. C.

DEAR MR. BYRNS: With reference to the proposed appropriation of \$600,000 for grasshopper control, I desire to call your attention and that of your committee to the developments and present status of this proposal.

On June 10 I directed a letter to Hon. J. B. BUCHANAN, in which I recounted the many efforts of this department to secure from Congress the authority and the funds to carry out a campaign of grasshopper control under Federal direction. Those efforts persisted from February 4, when the President sent to Congress the original draft for the appropriation, down to May 14, when the Chief of the Bureau of Entomology, Dr. C. L. Mariatt, and I appeared before a group of interested Representatives and stated that unless the authority and the funds were made immediately available any Federal-control campaign would, on account of the lateness of the time, be ineffective. Congress failed to grant the authority and the funds, and this department accordingly advised the States that a program carried out under Federal direction would be impossible.

It appears now that several of the States immediately embarked upon State programs of control, using such means and such funds as were available. The season in the States affected has been later than was anticipated, and the stage of development of the grasshoppers has been thereby retarded. The States and local subdivisions thereof are in many instances seriously hampered by lack of funds.

For the last week the department has had its agents engaged in making field surveys of the situation. Based upon their reports, it now appears that while it is too late to conduct a control campaign under Federal direction, much good can be accomplished and considerable of the crop prospects saved by grants of funds to aid the States financially in the purchase of poisoned bait or materials therefor, thus availing ourselves of the machinery set up by the States or counties and supplementing them beyond the point where their resources might otherwise fail.

From the foregoing considerations I have the honor to recommend the appropriation of a suitable sum, say, \$600,000, which may be used to assist the States affected in the purchase, after this date, of poisoned bait.

Sincerely,

ARTHUR M. HYDE, Secretary.

The following telegram of Senator SHIPSTEAD and the reply thereto appear in the RECORD of June 17:

HON. ARTHUR M. HYDE,

Secretary of Agriculture, Morrison Hotel, Chicago, Ill.:

Letters and telegrams coming from Northwest telling of tremendous hatching of grasshoppers. Your letter of June 10 to Congressman JAMES P. BUCHANAN influenced the House of Representatives in killing appropriation intended to be used to stop impending devastation of crops of Northwest. Bureau of Entomology informed me to-day that if funds can be made available this week it will still not be too late for effective use. If you will withdraw letter to Mr. BUCHANAN and back the Department of Entomology with another letter favoring an appropriation, another effort will be made to obtain funds for this work.

HENRIK SHIPSTEAD.

CHICAGO, ILL.

Senator HENRIK SHIPSTEAD:

Present information does not justify change in department's attitude regarding grasshoppers as expressed letter to BUCHANAN.

ARTHUR M. HYDE,
Secretary Department of Agriculture.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Nebraska to recede and concur with an amendment.

The question was taken; and on a division (demanded by Mr. SIMMONS) there were—ayes 72, noes 102.

So the motion was rejected.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Louisiana to further insist upon the House disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 82: On page 95, line 15, strike out "\$175,408,814" and insert in lieu thereof "\$177,424,768."

Mr. SANDLIN. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment numbered 82 and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "\$175,671,665."

The motion was agreed to.

INVESTIGATION OF CERTAIN MATTERS AFFECTING THE POST OFFICE DEPARTMENT

Mr. SABATH. Mr. Speaker, I call up the resolution (H. Res. 226).

The Clerk read as follows:

House Resolution 226

Whereas the deficit in the Post Office Department of late years has increased beyond all reason; and

Whereas it is charged and evidence has been submitted before several committees that these deficits are due to excessive air mail, railroad, and steamship transportation, as well as to the reckless and extravagant prices paid for land and leases for post offices; and

Whereas it is also charged that collusion exists between contractors and the bonding companies which makes it virtually impossible for independent contractors not in the combination to obtain bid bonds and thereby prevents competitive bidding; and

Whereas it is charged that collusion exists between architects, contractors, and others whereby changes in plans and specifications have been made after contracts have been let and whereby inferior materials and equipment contrary to those originally specified have been substituted; and

Whereas it is charged and evidence has been submitted to the effect that it is proposed to purchase power, light, and heat for Government buildings and additions thereto at exorbitant rates and under unjustifiable economic conditions, which, if carried out, will result in further increases in the postal deficit; and

Whereas it is further charged that plans and specifications covering engineering work for Government buildings are at times poorly drawn, which results in contractors placing higher bids than they would have otherwise placed, in order to protect themselves against the uncertainties occasioned by the said poorly drawn plans: Therefore be it

Resolved, That for the purpose of obtaining information necessary as a basis for legislation the Committee on the Post Office and Post Roads, as a whole or by committee, is authorized to investigate (1) if the contracts entered into for carrying mail, whether by air service, railroad, or steamship, are excessive and to what extent they should be reduced; (2) if the prices paid for land or sites acquired for post-office buildings in the last 10 years are reasonable or exorbitant and to ascertain the actual amounts paid for each site in excess of \$10,000, and the names of those who have negotiated the purchases as well as the leases; (3) all contracts entered into for the construction of all post-office buildings wherever the cost of such buildings was in excess of \$100,000, and to secure the names of all contractors; (4) to what extent collusive agreements have been sanctioned by the Treasury and Post Office Departments; (5) to what extent collusive agreements, if existing, have affected Government work from financial, architectural, and engineering standpoints; (6) prices paid and contracts entered into for power, light, and heat and, in addition thereto, estimated cost for generating power, light, and heat in buildings now under construction and contemplated where plans have been drawn and where the cost of building is above \$500,000; and (7) the first costs and the operating costs for generating power, light, and heat for all Government buildings.

The committee shall report the results of its investigations to the House with such recommendations for legislation as it deems advisable.

With the following committee amendment:

Strike out the preamble.

After line 15, page 3, insert:

"For such purposes the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned; to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants; to require the attendance of such witnesses and the production of such books, papers, and documents; to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary, not exceeding \$10,000."

Mr. SABATH. Does the gentleman from Indiana [Mr. PURNELL] desire any time on the resolution?

Mr. PURNELL. I hope the gentleman will give me the usual 30 minutes.

Mr. SABATH. I do not propose to take up a great deal of time, but if the gentleman desires time I shall yield him the usual amount.

Mr. PURNELL. Could the gentleman possibly give me 40 or 45 minutes? I have so many requests for time against the resolution that I can not take care of all of them.

Mr. SABATH. I have a great many requests myself, but I thought we would expedite the matter, inasmuch as practically everybody is for it anyway. However, I shall give the gentleman all the time he is entitled to and all that the rules and regulations provide.

I yield the gentleman from Indiana 30 minutes.

Mr. PURNELL. I thank the gentleman.

Mr. SABATH. Mr. Speaker, when the Post Office appropriation bill was under consideration about five years ago I made certain inquiries of the chairman of the Appropriations Committee in an effort to secure some information about certain leases and the reasons why certain post-office sites had been purchased. Since that time I have made some observations in regard to other leases entered into by the postal authorities two years ago. Since then I have been receiving a great deal of information and a great many inquiries asking why the Government and the Congress permit the post-office authorities to enter into such unfair and unjustifiable leases, and at the same time why they should purchase properties and sites for post offices and pay, in many instances, 100 or 200 per cent more than the market value for them.

I do not desire to make any charges against anyone to-day. This is the first time in 25 years that I have brought up a resolution to investigate a matter, and if it had not been for the fact that many individuals in various sections of the country have implored me and appealed to me I would not have introduced this resolution.

Mr. MICHENER. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. MICHENER. I notice the resolution provides that this investigation shall be carried on by the Committee on the Post Office and Post Roads.

Mr. SABATH. Yes.

Mr. MICHENER. Is that committee asking for the passage of this resolution?

Mr. SABATH. I have talked to the chairman of the committee and he feels they do not have the power to make this investigation. For this reason he thought such a resolution should be passed.

Mr. MICHENER. What I am interested in is this: The committee did not appear before the Rules Committee and ask for this legislation, and I wondered whether it is the idea of the gentleman from Chicago only or if it has any support from any other committee of the House.

Mr. SABATH. I may say that the chairman of the Post Office and Post Roads Committee, being a new chairman of that committee, is not, I presume, familiar with all of the complaints that have been lodged against and all the abuses that have occurred in the department.

Mr. MICHENER. The gentleman said that the chairman of the Committee on the Post Office and Post Roads is a new

member and that he is not familiar with the duties of his office—

Mr. SABATH. No; I have not said that.

Mr. MICHENER. I resent that. I think he is a capable man.

Mr. SABATH. Please do not misquote me. I want to be fair, and the gentleman knows I am fair. I have not said that. I said that the gentleman has not been informed or acquainted with some of the misdeeds and some of the transgressions and abuses in that department.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. The gentleman, being a member of the Committee on Rules, of course knows that we have a committee of the House on expenditures and that that committee needs no authority to make just such an investigation as the one provided in this resolution. If the gentleman from Illinois had presented any evidence to that committee, the committee would have taken the matter up.

Mr. SABATH. The gentleman's committee has been very busy. The gentleman and his committee have been trying to carry on some additional investigations and some additional work with respect to the economy program, and I felt it would be an imposition to put these additional duties and burdens on that committee.

Mr. PARSONS. Will the gentleman yield for a brief question?

Mr. SABATH. I yield.

Mr. PARSONS. In reading the resolution I do not find it covers an investigation of leasing contracts or rentals, and so on. Does the gentleman intend to cover that in this investigation?

Mr. SABATH. Yes; the resolution covers that.

Mr. PARSONS. It is not mentioned specifically, only by indirection.

Mr. SABATH. I want to bring to your attention some facts which have come to my notice this morning.

Here is a Washington morning paper, and I want you gentlemen to listen to this:

Falling to post a performance bond with the Government, the Great Lakes Construction Co., of Chicago, has lost its contract to build the Interstate Commerce Commission and the Labor Department Building. The contract will now go to the second bidder, James Stewart & Co., of New York, which offered to do the work for \$9,081,000.

As against \$8,846,000.

Now, in my resolution I provide that we should investigate the collusive agreements between contractors and bonding companies.

Four months ago it was brought to my attention that a contractor who is not in the ring can not secure any Government construction work. That is a serious condition, and we should not permit anything of that kind to go on. Last week my attention was called to another contractor on Government work, who said that he was prevented from giving a bond because he did not belong to the combination. The same thing occurred in the Chicago post office. There were four different contractors who could not secure even a bond permitting them to make a bid.

I have talked with some of the contractors, and they say that collusion exists between the surety companies and some contractors and that, as a consequence, they have no chance to get it at all.

In view of this condition and in view of the fact that we are preaching economy and trying to do everything we can to save money for the Government, I believe that you should find out why these conditions exist and whether there is any real foundation for the complaint. If there be such things they should be stopped in the future. I know that all of you men are desirous of doing what is right and for that reason I feel that you will, after duly considering this measure, support it and authorize the committee to look into this matter, because I am not providing for a special committee or for a fifty or a hundred thousand dollar expenditure; all I provide for is \$10,000, and I am leaving it to the Post Office and Post Roads Committee

to look into these abuses that have been called to my attention in the last few months.

Mr. Speaker, I reserve the balance of my time. I have already yielded 30 minutes to the gentleman from Indiana [Mr. PURNELL].

Mr. PURNELL. Mr. Speaker, I yield myself five minutes. This resolution, gentlemen, ought not be adopted for a number of reasons. In the first place, it came out of the Committee on Rules without any hearings. I will say to you frankly, as one member of the Rules Committee, I learned for the first time from the gentleman from Illinois, when he spoke on the floor, the purpose he had in his mind when he introduced the resolution.

It was reported out of the committee at the close of a busy session of the Rules Committee without any discussion whatever. It gives almost unlimited power and authority to the Committee on the Post Office and Post Roads which they have not asked for. I know that no member of the Committee on the Post Office has asked for the passage of this political "smelling committee," and that is exactly what it is.

I am sorry the gentleman from Tennessee [Mr. BYRNS] is temporarily absent from the Chamber. I am sure he will vote against this resolution, and I call upon you Members on the Democratic side to follow your economy leader.

The gentleman from Missouri [Mr. COCHRAN] gave a suggestion a moment ago in his question which ought to be emphasized and given heed, and that is that we have a Committee on Expenditures in this House with sufficient authority to do what is sought to be accomplished by this resolution. I will ask the gentleman from Missouri if that is not a fact?

Mr. COCHRAN of Missouri. Absolutely, we do not need any authority from the House, and I know that no information has been given to our committee that would warrant it in holding hearings. I will say further, that if they will give us the information, I will call a meeting of that committee to-morrow.

Mr. PURNELL. That is a fair statement. We are here in the concluding days, I hope, of this session. If there was some definitely needed information, and we were in the middle of a session, I should be inclined to give more than passing consideration to the question of appointing a committee to look into such evils as are alleged to exist in order that the information might form the basis of legislation.

But we are asked to appoint a committee for the purpose of sitting during the recess, and in my judgment, if appointed, it will be nothing more nor less than a political snooping committee. I have heard nothing from the gentleman, my good friend from Illinois [Mr. SABATH] that would justify me in asking anybody to investigate anything.

Mr. SABATH. If the gentleman wants facts I can give him facts.

Mr. PURNELL. The gentleman has 20 minutes more, and I hope he will devote part of that time to that purpose. As I say, I have heard nothing from the gentleman that would justify me in asking anybody to investigate anything or vote to vest authority in a committee which does not ask it and give it an appropriation of \$10,000 with which to start. Mark you, I say start, because if a committee of this kind sets out to investigate all of the ramifications set forth in this resolution the original \$10,000 provided for in the resolution would not pay interest for 30 days upon the amount that will be ultimately expended before the investigation is concluded. There is no justification for it, there is no reason for it. No one is demanding it, and again let me suggest, it opens the way for another one of those investigations which, as we all know, starts with a small amount and runs into tremendous figures. The resolution ought to be voted down, and the membership of the Democratic side which a moment ago stood up so squarely against the grasshopper item, as they thought for economy, ought to join with us in defeating the resolution.

I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Speaker, the gentleman from Missouri [Mr. COCHRAN] brought out through a question

from the gentleman from Indiana [Mr. PURNELL] the point that I wish to emphasize, and that is that there is no real necessity for the House to take action on this resolution at this time because the House, if it feels there is something that ought to be investigated, has a medium through which it can act. I am always doubtful of any resolution or bill that carries a preamble. It always seems to me that the preamble is for the purpose of bolstering up a weak case. We have a preamble here taking about two pages setting forth a whole lot of things which says that "evidence has been submitted," and the gentleman from Illinois says that evidence has been submitted. If it has been submitted, and it is satisfactory to the gentleman, why does he not take it to the Department of Justice, where it belongs, or submit it to the district attorney out in Chicago? It seems to me that the whole proposition here lies in a row between two different factions in the city of Chicago, and they expect us to spend \$10,000 of money raised in other sections of the country for the purpose of giving some benefit to one or the other faction.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. SABATH. I assure the gentleman that there is no Chicago faction involved in this, and this is not a factional or a sectional matter.

Mr. UNDERHILL. I thank the gentleman, but I call attention more particularly and specifically to the fact that in all my experience here I have yet to find one special committee that has justified the expenditure of the money appropriated to carry on special investigations.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. O'CONNOR. The gentleman made that statement this morning. I do not believe that the gentleman would say that about the committee that investigated railroad holding companies.

Mr. UNDERHILL. There has been no report from the committee.

Mr. O'CONNOR. Oh, yes; there has been a very thorough report.

Mr. UNDERHILL. What legislation has been based upon it?

Mr. O'CONNOR. Legislation has been introduced and reported out in relation to it. I do not think the gentleman would say that about the silver investigation.

Mr. UNDERHILL. They have not reported.

Mr. O'CONNOR. Yes; they have a full report, and have come out with recommendations.

Mr. UNDERHILL. Have the recommendations been carried out? Let me call attention to the Mapes investigating committee. The Committee on Accounts reported out a certain amount of money for the Mapes committee, and no more capable, no more honest, no more efficient committee was ever appointed than the Mapes committee, and no more comprehensive report was ever submitted to this House. What good has it done? Not a particle. They have taken the District bill over on the other side of the Capitol, and have made the same appropriation of \$9,500,000 or thereabouts.

Mr. O'CONNOR. We passed legislation in this session of Congress in respect to it.

Mr. UNDERHILL. It has not become effective. I am talking about results.

Mr. O'CONNOR. We can not control the other side of the Capitol.

Mr. COLE of Iowa. Speaking about the railroad holding company investigation, that was made by experts and not by a congressional committee.

Mr. UNDERHILL. It was made, of course, with the help of experts. I am not criticizing any one of these committees, but I am criticizing the House for going off half cocked, not realizing that all of these investigations cost money, and that the only way that we can raise money is through the medium of taxation. If we brought about any remedial legislation, I would not be so keen in my opposition.

Mr. KETCHAM. Has the gentleman given attention to the fact that in another body a committee has been at work on this very identical subject for a long time, and that we have all of that information?

Mr. UNDERHILL. If there is anything under the sun, the moon, or the stars that another body has not investigated in the last six years, I have to hear of it, and its expenditures, which have run into the millions of dollars, have not resulted in a single iota of benefit to the people of the country. I hope this resolution will be defeated, and that the House will take a determined stand against further investigating committees.

Mr. SABATH. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Speaker, as a matter of fact, this resolution does call for the expenditure of money. That is the reason why the Committee on Expenditures of the House of Representatives could not undertake this job. That committee does not have the powers nor facilities granted under this resolution. It can not subpoena witnesses nor administer oaths. It has no money to spend for actual investigation. A genuine investigation, if it is not turned into a political forum, will be the greatest kind of economy. We all know the fight that was made in this House and later in the Senate on post-office leases. When that fight was initiated there was a great deal said about it being purely political, and that nothing would ever come of it. As a matter of fact, as a result of that effort an investigation was held. The investigation was started by the House committee. It was found that its powers were not broad enough, but sufficient evidence was brought out before this committee so that it made a recommendation to the House for a complete investigation. That merely covered the matter of leases, however. The investigation disclosed such startling information about the leasing, that the President himself announced the abandonment of that policy, which had been heretofore so ardently defended by the Post Office Department, and which was defended all during the time we were trying to get the investigation. We were told there was nothing wrong with those leases; that they were fine and sweet-smelling. As a matter of fact, they smelled to high heaven.

We found that the leases have gravitated into two leasing rings, who control practically all of the leasing of post-office sites from coast to coast. These leasing rings have issued bonds ranging from 200 to 1,000 per cent of the value of those properties. Yet it is said there is no justification for such an investigation.

Recently there has been a great deal of widespread criticism, suggesting that there have been some collusive agreements between contractors and supply firms, the architects, and the Post Office Department. I do not say there are those collusive agreements, but complaints are widespread throughout the country from competing contractors, to such an extent that it will remain as a blot unless it is investigated and we find out whether the charges are true or not. When those charges are made as generally as they are being, in justification to the Post Office Department itself and to the Treasury Department, we should have an investigation. We should find out whether those charges are justified; and if they are not justified, after a competent, impartial investigation, the departments should be vindicated. If the Members who are opposing this resolution are convinced that there is nothing which needs investigating, certainly there is nothing to fear from the investigation. The Post Office Department and the Postmaster General should be the first to demand such an investigation. In view of the charges that have been made, they should insist upon this House conducting an investigation.

This resolution also takes up the question of air mail subsidies. There has been a great deal of criticism in the past that the air mail subsidies have been tainted with fraud. That suspicion is more or less general. There has been the charge made that the air mail subsidy has not been administered efficiently, as well as the ship subsidies. Those charges should be investigated.

As a matter of fact, I think a very excellent piece of work has been done in building up the great transcontinental air routes, but I do think that within the past year or so the problem has become so great and the Post Office Department has been so busy politically that they have not been able to devote their attention to the administration of this fund. The Postmaster General and his assistants have been away from the department, and they have turned over the administration of this \$20,000,000 air mail fund to subordinates. That should be looked into. We have an enormous investment from the standpoint of national defense involved in the air mail subsidies. If there is fraud involved, we want to know about it. It is real economy if we can eliminate wasteful or fraudulent expenditures of Government money.

Mr. BANKHEAD. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. BANKHEAD. The gentleman has taken a great deal of interest in this matter. Can the gentleman assure this House upon his own personal responsibility that he is in possession of sufficient facts to justify this investigation?

Mr. MAAS. Absolutely. So much so that the facts I presented before the Committee on Expenditures, when that committee was headed by a Republican chairman, came before the House with a resolution asking authority for this same thing.

The Senate committee investigated leases. Their authority was limited exclusively to the question of leases, and sufficient facts were developed by that committee to justify a complete investigation of the whole department, with probable recommendations of a complete realignment and reorganization of the Post Office Department.

But for a few thousand dollars spent by that committee in its investigation, millions of dollars will be saved in excessive rentals. Already we have saved one hundred times what has been spent. There is no question but that these leasing rings have gotten away with at least \$150,000,000 in the last 10 or 12 years; and if this leasing situation had been permitted to continue, they would have gotten away with another \$200,000,000 in the next 10 years. All of this information has come out under oath, and by documentary evidence. If that has been true in the leases, it certainly justifies an investigation of all of the other expenditures of the Post Office Department. In fact, I can not see how this House can conscientiously refrain from investigating, in view of what has been disclosed before the House committee and the Senate committee and the Federal Trade Commission, which has also investigated certain phases of this situation.

Of course, we do not have complete documentary proof with which we could go before a court, or we would not be asking for the investigation. We would go before the court with it, but there is sufficient evidence to justify an investigation. An investigation is what is being asked for. The court part may come later. I do not see how anyone can justify refusal to have this committee of the House investigate these serious charges. There is a distinction between political charges and serious charges of this nature. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. MICHENER. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. Hogg].

Mr. HOGG of Indiana. Mr. Speaker, we have had so many ideas expressed in the last few minutes that it is time to get away from opinions and ascertain just what the facts are in regard to the activities of the Post Office Department. It has been suggested that there is a possibility of fraud in the letting of the air mail contracts.

The Post Office Committee of the House during the present session conducted hearings over a period of several days concerning air mail contracts. The gentleman from Minnesota appeared three times before the committee. No one said anything about fraud. The Postmaster General, Mr. Brown, appeared and gave an extended accounting of his stewardship. All questions were answered by him with candor. No

information requested from the department was withheld. These hearings are printed and available. What, then, are the facts?

The Postal Department is spending for carrying air mail less than one-fourth of the Government's total expenditures in the interest of aviation. No other nation approaches the magnificent system of air mail which we have. You can send a letter from New York to San Francisco in 30 hours for a nickel. This postal service has done more than all other things combined to encourage aviation. It needs no defense. Mr. Brown should have the thanks of the American people for his splendid work.

Total expenditures for aviation in one year are as follows:

National Advisory Committee for Aeronautics.....	\$1,012,300
Department of Commerce, Aeronautics Division.....	8,929,660
Navy Department, Bureau of Aeronautics.....	26,660,000
War Department, Army Air Corps.....	25,482,903
Post Office Department, air mail.....	16,942,454
Total.....	79,027,317

A substantial part of the air mail appropriation is returned in the postage on air mail. America is justly proud of its air mail system. No other expenditure has produced such results.

This resolution would require the expenditure of a large sum of money. Our country demands real economy. I am opposed to the resolution. [Applause.]

Mr. SABATH. Mr. Speaker, I yield one minute to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. I wish to take this minute to reply to the gentleman from Indiana. The gentleman was present at all sessions when I appeared before the committee, and I did testify before the committee and submitted evidence that the specifications for bids on air mail contracts were so written that only the favored bidders could possibly submit a bid. I gave specific illustrations of that very situation.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. HOGG of Indiana. Has the gentleman read the hearings?

Mr. MAAS. Yes; I have. Have you?

Mr. LAMNECK. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. LAMNECK. Is it not a fact no original air mail contract has ever been made by the Postmaster General that was not made under competitive bidding?

Mr. MAAS. That was not under competitive bidding?

Mr. LAMNECK. Yes.

Mr. MAAS. Under the law it is supposed to be competitive bidding, but there never was actually any competitive bidding. The evidence before the committee showed there never were any competitors.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, I will say to the gentleman from Illinois [Mr. SABATH] that the Committee on Expenditures has never been too busy, and never will be too busy, as long as I am chairman, to investigate fraud provided a responsible official or responsible person will present evidence to the committee that will warrant an investigation.

I have not missed a session of this House since I have been a Member of it. I am here every day. The gentleman from Illinois has never approached me about this subject. He has never asked for a hearing before the committee. The same applies to the gentleman from Minnesota [Mr. MAAS]. The gentleman from Minnesota [Mr. MAAS] did appear before the committee in the last Congress, but a Senate committee was formed after the gentleman from Minnesota [Mr. MAAS], took his evidence to the other side. That committee is still in existence. It has not made its final report, and I just confirmed this over the telephone by talking with Senator BLAINE's office.

Mr. MAAS. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. MAAS. The Senate committee is limited exclusively to leases. That is the only subject they are authorized to investigate.

Mr. COCHRAN of Missouri. I would like to know what authority the Committee on Post Offices and Post Roads has to investigate public buildings. This resolution provides for such an investigation.

The Committee on Appropriations has gone into the question of mail subsidies for the merchant marine. I think if you will read the record and the speech of the gentleman from Illinois [Mr. ARNOLD], made before this House in this session, you will find that they have gone into that subject and very thoroughly.

The gentleman from Louisiana [Mr. MONTET] made certain charges on this floor in reference to a mail contract with a line running between Key West and Habana, Cuba, I believe it was, and those charges are now in the hands of the Committee on Merchant Marine, Radio, and Fisheries which has jurisdiction over the White Act.

Mr. LA GUARDIA. That was not an air mail contract; that was a steamship contract.

Mr. COCHRAN of Missouri. That is right, not an air mail contract but the new ship is to carry mail.

If you will turn to page 81 of the economy bill which we passed yesterday and will read sections 320 and 321, you will find that the Economy Committee has inserted legislation in that bill that will prevent just exactly what the gentleman from Illinois and the gentleman from Minnesota complain about in reference to leases of public buildings. It places a limitation on the department.

So far as I am concerned, I shall remain in Washington, if necessary, to investigate during the summer any charges that will be placed before the Expenditures Committee if the committee after considering the charges deem an investigation is necessary. One should never be too busy to investigate a fraud on the Government.

Mr. SABATH. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. SABATH. Would the gentleman favor an amendment giving his committee jurisdiction to make this investigation?

Mr. COCHRAN of Missouri. We do not need authority; we have the authority now.

Mr. SABATH. The committee has no authority to expend any money.

Mr. COCHRAN of Missouri. We do not need any money to determine if there are grounds for an investigation. If we discover fraud in a preliminary investigation we can get money, if necessary.

We can investigate right here in Washington, starting with Government officials. We can call the Postmaster General; we can call the Secretary of the Treasury. We can hear the Supervising Architect. We can hear members of the Building Commission.

Mr. SABATH. That I am not very much interested in.

Mr. COCHRAN of Missouri. We can get the Government officials before our committee in 24 hours. It will not take long to determine if an investigation is necessary if you will give the committee the evidence you claim to have.

Mr. MAAS. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. MAAS. I want to call the gentleman's attention to the fact that the Postmaster General when called before the Senate committee absolutely refused to testify and refused to make his records available.

Mr. COCHRAN of Missouri. I may say to the gentleman from Minnesota that no Cabinet officer has ever refused to appear before the Committee on Expenditures or has ever withheld records. One Cabinet officer balked a bit on one occasion, but he finally agreed to appear.

Mr. BANKHEAD. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. BANKHEAD. Does the gentleman expect to get the information necessary in reference to such an investigation out of the Cabinet officers?

Mr. COCHRAN of Missouri. I think that is one way to get the information. We must start somewhere. If we find it necessary to go ahead with an investigation and have the facts to present to the House that would warrant an expenditure of public funds to make the investigation, we will come in here and ask for the money.

What I desire to impress upon the House is, you have created a committee of 21 members to make just such investigations as is provided for in this resolution. A committee that has never refused to work. I know this because I have been a member of that committee since the day it was created. The committee, however, must have some specific information before it can start an investigation. If Members of the House want to be heard on any bill or resolution within the jurisdiction of the committee, they have been and will be accommodated. The committee has many requests for investigations. A Government employee loses his job; he is naturally put out; he comes to the committee and wants this man or that man or department investigated. The committee requires that the charges be placed in writing, and then it considers whether an investigation is warranted. If the Members who claim they have evidence of fraud will present it to our committee, they will get action if action is warranted. There is no necessity for a special committee or to spend \$10,000 until the evidence upon which the Members demand the investigation is presented and considered. We can get department records and department officials without trouble, and we can demand that they disprove the charges the Members present. What more can you ask? Remember, there is always a reaction when some one makes charges that he can not support by evidence. Give the Committee on Expenditures an opportunity to hear your charges, and you will get action if action is warranted. [Applause.]

Mr. SABATH. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, our distinguished Speaker, who has happily returned to health and who has been occupying the Chair this noon, has issued a very momentous statement which I believe the membership of the House should know about as suitably as possible. Among the many courageous things the Speaker has stated in that statement is the following, and I ask your respectful attention concerning it.

When the prohibition amendment was proposed I, as a Member of Congress, voted against it. I have never believed it sound or workable, and it should be repealed.

[Applause.]

Now, gentlemen, in these days of ballyhoo and buncombe, in these days when Republicans in convention assembled lacked the courage to say what they mean, when a Republican President and his Cabinet force upon delegates—most of whom can not call their souls their own—a prohibition plank of weasel words, is not the statement of our distinguished Speaker as refreshing as the cool air in the heat of summer? There is a statement that is courageous, forthright and honest, and I commend it to the gentlemen on the minority side, and I ask the Democratic delegates about to assemble in Chicago to take heed. The country expects them to be just as forthright, just as honest and just as courageous as the Speaker. Let there be no evasion. Let there be no subterfuge. The country wants what the Speaker wants—"repeal."

It is interesting to note—and it is well to put this in large red letters so that he who runs may read—so that Democratic delegates may read and heed—that those who now have their hats in the ring, the distinguished Speaker; the governor of my State, Mr. Roosevelt; the former governor, Mr. Smith; Mr. Young; Mr. Baker; Governor Ritchie; and Mr. Traylor, are all for repeal.

In no uncertain language have they made their sentiments known to the Nation, and particularly to the Democratic Party. It is well indeed for the delegates about to assemble to realize that their candidates will be for out and out repeal. The Democratic plank should embody that in the simplest language. The Nation demands it.

Mr. UNDERHILL. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. UNDERHILL. Would it not be a good idea for the gentleman to make that speech at the convention rather than here?

Mr. CELLER. No. It is a good idea to tell gentlemen on both sides of the aisle that both parties are really for repeal, as the distinguished Senator from Idaho said yesterday. The Republican Party is for repeal but lacks the courage to say so. I want my party, in forthright, honest, and courageous language to say it is for repeal, no more, no less. [Applause.]

[Here the gavel fell.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to insert all of the statement issued by the Speaker of this House, as given to the press.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The statement referred to follows:

Many of my friends, not only those residing in my own district and State, but throughout the country, have asked me repeatedly to express myself on various public questions. I have maintained the position I assumed when I was elected Speaker of the House of Representatives, that I would not indulge in the discussion of controversial issues not immediately under consideration by the House. Moreover, during the 30 years I have been a member of Congress, practically every principle involved in the problems of the Nation to-day have been before the House, and my views thereon are a matter of record.

This country has erected tariff barriers that are practically excluding the products of foreign nations. This makes it economically impossible for those nations to buy from us the products of our farms and our factories, thereby aggravating our industrial depression.

All relief measures so far have been purely temporary and do not go to the root of the trouble. No sound, thinking citizen can favor the dole; neither can the Government sit idly by and see its people starve when they are willing to work. Enough work must be provided to keep the people from starving, and we shall be fortunate indeed if this irreducible cost minimum does not greatly exceed the amount provided in the relief measures which I sponsored.

Before genuine and permanent relief can be accomplished the finances of the basic industries of this Nation must be placed on a saner basis, thereby removing the specter of receiverships and foreclosures and restoring their buying power and ability to employ labor.

International trade must be reestablished by the restoration of international confidence and credits. Honesty among nations is as essential a virtue as honesty among individuals. An individual who borrows and makes no honest effort to pay is dishonest; the same applies to a nation. If foreign debts should be cancelled, the credit of the nations involved would be destroyed and they can not borrow again. The Government of the United States owes it to its citizens to collect from the debtor nations to the extent of their ability to pay, and there should be no flim-flam accepted as to that ability to pay.

When the prohibition amendment was proposed I, as a Member of Congress, voted against it. I have never believed it sound or workable, and it should be repealed.

The cost of government—city, county, State, and national—can and should be reduced not less than one-third.

The principal obligation of a government established in accordance with the American principles and traditions is to protect all of its people in the free enjoyment of the fruits of their labor and the pursuit of happiness. The constantly increasing tendency toward socialism and communism is the gravest possible menace. The Government should use every means within its power to prevent their further spread, and they should receive no encouragement from any American citizen, high or low.

The Democrats of California and of my native State, Texas, are sending delegations to the national convention in Chicago instructed to vote for my nomination for the Presidency. This has been done without my solicitation. I appreciate the support of my friends, and am willing to serve my country and my party to the limit of my capacity.

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, again we have an illustration of Democratic economy. If the Democratic majority in this House to-day sees fit to adopt this resolution, they will simply be following along the lines they followed

yesterday when they wanted to put through a bill under suspension of the rules that would have provided another \$100,000,000 for highway construction. This is simply putting the camel's head under the tent and giving an opportunity to spend a nice, fat sum of money.

The gentleman says they are only asking for \$10,000. Well, we know from history the manner in which deficiencies are paid for as the result of special investigations.

It is a very interesting thing to me that neither the Post Office Committee nor the Committee on Expenditures comes forward with the slightest interest in this resolution, and that those committees have done nothing in an effort to have it adopted.

Where is the chairman of the Post Office Committee? Has he appeared here to advocate the adoption of this resolution or to take away from the power already vested in his committee by appointing a subcommittee to carry on this particular line of investigation?

The gentleman from Missouri [Mr. COCHRAN] has appeared here and has violently opposed the adoption of the resolution, as the chairman of the Committee on Expenditures, and the gentleman offers to sit here voluntarily during the summer, if the slightest information is presented to him, and receive such evidence as may be submitted to him.

Let me call the attention of the House to the fact that it is very apparent there are a few of our colleagues who are anxious to get back at somebody for something, and this is really the purpose of the resolution. We have heard the conditions in Minnesota discussed time and time again, and we are willing to believe that so far as conditions locally in Chicago are concerned, they are pretty rotten, but I do not think that has anything to do with governmental affairs.

Further, I want to call the attention of the House to the type of power granted this committee if the resolution should be adopted. I am particularly interested in the language beginning in line 7, paragraph 2, in relation to post-office buildings, to see whether sites acquired during the past 10 years have been acquired at prices that were reasonable or exorbitant and to ascertain the actual amount paid for each site in excess of \$10,000.

Why should a special committee, having nothing whatever to do with constructing buildings for the Government, be endowed with power to inquire, over a period of 10 years, whether in their personal opinion these prices were fair and reasonable? What a ridiculous proposition to try to take it out of the hands of the Treasury Department, where such power rests, and place it in the hands of a committee that has never had the slightest thing in the world to do with the subject matter of the resolution.

The same idea can be applied throughout the resolution. I hope the resolution will be defeated by the common sense of this House. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, we to-day witness a very unusual situation in the consideration of so important a resolution. There seems to be no one for the resolution, no one back of it, no one asking for the resolution except the gentleman from Chicago [Mr. SABATH], supported by the gentleman from St. Paul [Mr. MAAS].

I am not going to discuss at all the purposes or the reasons for the resolution, but I am going to make a few observations in reference to the resolution itself and just what it provides.

You know I am not surprised at all that all the members of the Rules Committee on the other side of the aisle have deserted the gentleman from Chicago, leaving him alone here to defend his bill. [Laughter.]

I see the gentleman from New York has arisen, and I, therefore, qualify my statement to the extent that the gentleman from New York City is willing to stand up and say he has not deserted the gentleman. Then here comes my good friend from Georgia [Mr. COX], who, I am sure, will not take the floor for one minute and advocate the passage of this resolution. I say this because I serve on the Rules Committee with the splendid and distinguished gen-

tleman. I know his inclinations. I know what he thinks of legislation. I know what he feels to be the duty of the Members of this House, and, knowing him as I do, I do not hesitate to say, without fear of successful contradiction, that unless the gentleman receives the inspiration this very moment from the gentleman from Chicago, he will not take the floor and defend the resolution.

Mr. COX. Will the gentleman yield?

Mr. MICHENER. Surely.

Mr. COX. Lest the impression be made that I am unfavorable to the resolution, I would like to say that as a member of the committee I voted for it to come out and there goes with that, the implication that I favor the resolution.

Mr. MICHENER. Oh, the poor gentleman from Georgia! If the gentleman could only tell the House how many times he votes to report resolutions and bills out, with which he is not in sympathy at heart, I am sure it would be a tale interesting to all the Members here. The gentleman says that such action carries with it the implication that he is going to vote for the resolution, but we all know the gentleman well enough to know that when his heart is for a thing of this kind, the gentleman is on the floor defending it. The gentleman would be shoulder to shoulder here with the splendid gentleman from Chicago, but the gentleman does not believe in the resolution. I do not believe the gentleman does. Of course, I may be wrong. I can not look within a man's heart, and see, but I just know from the way the gentleman usually considers matters of this kind—

Mr. COX. Will the gentleman yield further?

Mr. MICHENER. Certainly.

Mr. COX. I am sorry the gentleman has used me as an argument against the resolution. As a matter of fact, while I appreciate the compliment the gentleman has bestowed upon me, I think well of the resolution.

Mr. MICHENER. I am surprised. The gentleman says he thinks well of the resolution. The gentleman is a good lawyer. Let us see what the resolution provides.

Mr. COX. Let me state that I am in favor of the purposes of the resolution.

Mr. MICHENER. The resolution provides, first, that all contracts ever made or entered into for the carrying of the mail, whether by air or railroad or steamship, shall be investigated by this committee. A stupendous task.

Second. All contracts covering lands for post-office sites purchased in the last 10 years shall be investigated.

Third. All contracts entered into for the construction of post-office buildings, up to the amount of \$100,000, shall be investigated, and that the names of all the contractors shall be secured.

Fourth. The committee must ascertain to what extent collusive agreements have been sanctioned by the Treasury and Post Office Departments.

No collusion is alleged, but this committee is to go through the highways and byways, making search to find out, if possible, if any collusion has taken place.

Fifth. To what extent collusive agreements, if existing, have affected Government work from financial, architectural, and engineering standpoints.

Sixth. Prices paid and contracts entered into for power, light, and heat, and in addition thereto, estimated cost for generating power, light, and heat in buildings now under construction and contemplated, where plans have been drawn, and where the cost of the building is above \$500,000.

And then the small amount is appropriated to do this stupendous work. If this work is laudable, if the work should be done, we should at least entrust the task to a friendly committee, we should not force it on any committee which says it is not necessary, and we should not limit the amount to such an extent as to make the very purpose of the bill a joke; because you can not begin to do this thing for \$10,000. If I voted for the resolution, I would ask \$100,000 of the people's money be appropriated to go to the very bottom of the thing.

Gentlemen, the people of this country do not want any more investigations of this kind. If an investigation is advisable it should be nonpartisan and thorough, and this

resolution will accomplish nothing but possibly some publicity, which does not tell the whole story. The country wants the Congress to balance the Budget, practice economy, appropriate relief where it is needed, and go home. [Applause.] They do not want this committee to go roaming about the country creating more distrust in the Government. This is no time for muckraking, and if there was ever a time when we should stress the virtues of our Government it is now. If there is corruption in government, those guilty should be punished, but these times require facts, not suspicion, and this resolution will not get the facts, but on the other hand will create more distrust. [Applause.]

Mr. SABATH. Mr. Speaker, I yield to the gentleman from New York three minutes.

Mr. LAGUARDIA. Mr. Speaker, I can not concur in the thought just advanced by the gentleman from Michigan that the way to inspire confidence in the Government is to refrain from investigating when there are charges of wrongdoing. I can not subscribe to that.

The gentleman from Massachusetts [Mr. TREADWAY] says this resolution is only for "the purpose of letting the committee hound somebody." That charge is rather broad, but I do not hesitate to say that I expect to be right after every air mail contractor who refuses to give their employees a square deal.

Permit me to say that the air mail contractors have only themselves to blame if they are to be investigated as a result of this resolution. Until they treat their pilots and personnel and mechanics fairly and justly I am going to hound them. I serve notice right now of that fact.

The purpose of our air subsidy policy is to encourage aviation industry and aviation personnel. That is the primary purpose. The fact that the subsidy is made through postal contracts is only incidental. Some of the postal air mail contractors understand this. Others are seeking to hog the whole thing. The primary purpose is to develop the manufacturing of up-to-date planes for passenger and mail transportation. That means that subsidized operators must at all times have the very best of equipment for their planes and motors. Within this primary purpose is also that of keeping a well-trained flying personnel as well as training and keeping of first-class mechanics. I repeat, the operation of the lines and subsidy paid to them is to carry out these purposes. Therefore along with the best of motor and plane equipment the flying personnel must have the very best of treatment in salary and working conditions and a voice in all matters pertaining to flying conditions. Operators enjoying Government subsidies must understand this condition, and unless they live up to it I, for one, will do everything within my power—and I know that there is a very large number of Members who will agree with me—not to permit them to draw huge amounts from the Public Treasury and treat their personnel unfairly and unjustly. I served notice on the operators not very long ago, and other Members of the House warned them that unless they indicated by their action and treatment of the pilots and mechanics that they would live up to all requirements for which subsidies were paid, a thorough investigation would follow.

There are some good contractors who have a proper appreciation of the responsibility of pilots. There are good contractors that keep their equipment in shape, but unfortunately they must suffer on account of the selfishness, poor management, and greed of the other contractors. There is no place for hogs and exploiters in aviation.

Mr. Speaker, I served notice on them a few weeks ago that they had to change their attitude. I introduced a bill to bring all the air personnel within the provisions of the railroad labor act, so that pilots could adjust their differences and be free to make suggestions as to flying conditions and safety appliances without being discharged or penalized. The Aeronautical Chamber of Commerce, which has nothing to do with the matter, filed protests in the matter. Mr. Laurence had better attend to his own business or else he will be responsible for killing the aid, assistance, subsidies, and help that aviation is getting from the Government.

I have been trying to get that bill out of the committee. I am going to keep pounding until I can get the air pilots under the railroad labor act and give protection to pilots and other employees the same as the law accords to others employed in railroad transportation.

Statements have been made to-day that complaint has not been heard concerning the administration of ship subsidies under the merchant marine act. That is not so. I personally have appeared before committees and have repeatedly informed the membership, right from this floor, of very grave abuses in the administration of subsidies under the merchant marine act. The award of the contract to the Seatrain Co., to my mind, was nothing short of a scandal, if not a crime. When I exposed the facts this House did not hesitate to insert a proviso in both the postal appropriation and the independent office appropriation bills prohibiting the payment of money in loans or for services under this contract. I still believe that the contracts and the giving of ships to the American Export Co. was most imprudent, and I always suspected that it was tainted. I laid the facts concerning the American Export Co. on the desk of the President of the United States. I laid it on his desk, but the American Export Co. is still operating ships. I believe the thing to do, if we are going to continue the policy of subsidies, is to ventilate the entire administration of the law and expose it and to get all of the facts, and compel a decent, intelligent, prudent administration of that law. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. SABATH. Mr. Speaker, I yield four minutes to the gentleman from New York [Mr. O'CONNOR.]

Mr. O'CONNOR. Mr. Speaker, the gentleman from Michigan [Mr. MICHENER] said that "the people of this country did not want any more investigations."

We might as well be perfectly frank about the situation here to-day. Instead of saying "the people," the truth is "the Republicans do not want any investigation." In the Rules Committee, eight Democrats voted to report this resolution; all the Republicans voted against reporting it. Why? Nothing was then and there said about "economy."

I am willing to wager that the vote, when it is taken on this resolution, will be strictly political; because for the past 12 years at least, every post-office site, every lease of a post office, has been a question of patronage. Why, Mr. Speaker, it would be impossible to spend as much money as has been spent on them—honestly. It would be impossible to spend \$75,000 or \$100,000 for a post office in certain villages, unless there was patronage in it. Since the Republicans have been in control of the Government how often have they ever bought or leased a site from anybody but a Republican? That is why they do not want the situation investigated. Cite an instance if you can; cite one to the contrary. Name one Democrat from whom a site was purchased or a building leased.

This talk about the Expenditures Committee having jurisdiction is not true in fact. All members of the Rules Committee know that committee does not have the power. Every committee of this House comes to the Rules Committee for power to investigate, to subpoena witnesses, to examine documents. No committee has that power except by a special rule. Likewise the Post Office Committee has not the power except by a special rule such as this.

During all this session I have chafed under the flood of loose words in this Chamber.

Now, let us talk politics plainly. The Republicans were talking here to-day about "economy."

The gentleman from Massachusetts [Mr. TREADWAY] went over the extravagance of spending \$10,000 under this resolution. Why, the minority is practicing deception in talking about the possible \$10,000 to be spent in this investigation. That opposition is just as sincere, that economy plea you were talking about yesterday and to-day is backed by just as much sincerity as your plea of cooperation or nonpartisanship. There has been no cooperation on your part during this session. There has been partisanship in every move

you have made, and there will be until the end of the session. Every time you have talked about economy you have been insincere, and you did not mean it. Where were you with your economy during the past 12 years you have been in power, when, as a result of your economy, you thrust our country in the depths of distress and depression, piling up on us billions of dollars of a deficit? You talk about economy! You protest against spending \$10,000 to reveal millions of dollars of graft! You thought nothing of wasting \$500,000 on the Wickersham Commission.

Now, let us stop this false talk about cooperation, non-partisanship, and economy. When we come back for the next session let us spread our cards out on the table face up, and let you say, "We are Republicans," and we will say, "We are Democrats," and let us go to it. The reason you do not want this investigation is that every spot it will touch will be Republican, not Democratic. Let us be frank about it. Every Democrat should support this resolution. I am sure every Republican will be against it, solely for the reason that it is directed against expenditures under a Republican administration. You are partisans, you have been partisans every day and every minute of this session of Congress. The Democratic majority has had no cooperation from you on economy or anything else. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment to the body of the resolution.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the amendment striking out the preamble to the resolution.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the passage of the resolution.

Mr. PURNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 190, nays 138, not voting 102, as follows:

[Roll No. 106]

YEAS—190

Allgood	Davis	Johnson, Tex.	Mobley
Almon	Delaney	Jones	Montague
Amie	DeRouen	Kading	Moore, Ky.
Arnold	Dickstein	Karch	Morehead
Auf der Heide	Dies	Kelly, Ill.	Nelson, Mo.
Bankhead	Dieterich	Kemp	Norton, Nebr.
Barton	Disney	Kennedy	O'Connor
Beam	Dominick	Kerr	Oliver, N. Y.
Black	Doughton	Kleberg	Overton
Bland	Ellzey	Kniffin	Palmisano
Bloom	Evans, Mont.	Kvale	Parker, Ga.
Boileau	Fernandez	LaGuardia	Parks
Boland	Fiesinger	Lambeth	Parsons
Briggs	Fishburne	Lamneck	Patman
Browning	Fitzpatrick	Lanham	Patterson
Brunner	Fuller	Lankford, Ga.	Pettengill
Bulwinkle	Fullmer	Larrabee	Polk
Burch	Gambrill	Larsen	Pou
Busby	Garrett	Lea	Prall
Byrns	Gavagan	Lichtenwalner	Ragon
Campbell, Iowa	Gilbert	Lindsay	Rainey
Canfield	Gilchrist	Linthicum	Ramspeck
Carden	Goldsborough	Loneragan	Rankin
Carley	Granfield	Lozier	Rayburn
Cartwright	Green	Ludlow	Rudd
Cary	Gregory	McClintic, Okla.	Sabath
Celler	Griswold	McCormack	Sanders, Tex.
Chapman	Guyer	McDuffie	Sandlin
Chavez	Haines	McFadden	Schafer
Christgau	Hall, Miss.	McGugin	Selvig
Clark, N. C.	Hancock, N. C.	McKeown	Shallenberger
Cole, Md.	Hare	McMillan	Shannon
Collier	Harlan	McReynolds	Sinclair
Collins	Hill, Ala.	McSwain	Smith, Va.
Condon	Hill, Wash.	Maas	Somers, N. Y.
Connery	Hoch	Major	Sparks
Cooper, Tenn.	Hornor	Mansfield	Stafford
Cox	Howard	Mapes	Stegall
Crisp	Huddleston	Martin, Oreg.	Stevenson
Cross	Jacobsen	Mead	Stewart
Crowe	Jeffers	Miller	Strong, Kans.
Crump	Johnson, Mo.	Mitchell	Sullivan, N. Y.
Cullen	Johnson, Okla.	Milligan	Summers, Wash.

Summers, Tex.
Sutphin
Swank
Sweeney
Tarver

Taylor, Colo.
Thomason
Vinson, Ga.
Vinson, Ky.
Weaver

West
Whittington
Williams, Mo.
Wingo
Withrow

Wood, Ga.
Woodrum
Wright

NAYS—138

Adkins	Culkin	Kahn	Selberling
Allen	Curry	Kendall	Shott
Andresen	Dallinger	Ketcham	Simmons
Andrew, Mass.	Darrow	Knutson	Smith, Idaho
Ayres	Dyer	Kopp	Snell
Bacharach	Eaton, Colo.	Kurtz	Snow
Bachmann	Eaton, N. J.	Lankford, Va.	Stalker
Baldrige	Englebright	Leavitt	Stokes
Barbour	Erk	Leibach	Strong, Pa.
Beedy	Evans, Calif.	Loofbrow	Stull
Blanton	Fish	McClintock, Ohio	Swanson
Bolton	Free	McLaughlin	Swick
Brand, Ohio	French	Magrady	Taber
Burdick	Garber	Manlove	Taylor, Tenn.
Burtness	Gibson	Martin, Mass.	Temple
Butler	Glover	Michener	Thatcher
Cable	Goss	Millard	Thurston
Campbell, Pa.	Hadley	Moore, Ohio	Timberlake
Carter, Calif.	Hall, Ill.	Mouser	Tinkham
Carter, Wyo.	Hancock, N. Y.	Murphy	Treadway
Cavichia	Hardy	Nelson, Me.	Underhill
Chindblom	Haugen	Niedringhaus	Warren
Chipfield	Hogg, Ind.	Nolan	Watson
Christopherson	Holaday	Oliver, Ala.	Watson
Clancy	Hollister	Partridge	Weeks
Clarke, N. Y.	Holmes	Person	White
Cochran, Mo.	Hooper	Purnell	Whitley
Cochran, Pa.	Hope	Ramseyer	Williamson
Cole, Iowa	Hopkins	Ransley	Wolcott
Colton	Horr	Reed, N. Y.	Wolfenden
Connolly	Houston, Del.	Rich	Wolverton
Cooke	Hull, Morton D.	Robinson	Wood, Ind.
Cooper, Ohio	Hull, William E.	Rogers, Mass.	Wyant
Coyne	Jenkins	Sanders, N. Y.	
Crail	Johnson, S. Dak.	Seger	

NOT VOTING—102

Abernethy	Doutrich	Hogg, W. Va.	Reld, Ill.
Aldrich	Dowell	Igoe	Reilly
Andrews, N. Y.	Doxey	James	Rogers, N. H.
Arentz	Drane	Johnson, Ill.	Romjue
Bacon	Drewry	Johnson, Wash.	Schneider
Beck	Driver	Keller	Schuetz
Boehne	Estep	Kelly, Pa.	Shreve
Bohn	Finley	Kinzer	Sirovich
Bowman	Flannagan	Kunz	Smith, W. Va.
Boylan	Foss	Lambertson	Spence
Brand, Ga.	Frear	Lewis	Sullivan, Pa.
Britten	Freeman	Lovette	Swing
Brumm	Fulbright	Luce	Tierney
Buchanan	Gasque	McLeod	Tilson
Buckbee	Gifford	Maloney	Tucker
Cannon	Gillen	May	Turpin
Chase	Golder	Montet	Underwood
Clague	Goodwin	Nelson, Wis.	Welch
Cornling	Greenwood	Norton, N. J.	Wigglesworth
Crosser	Griffin	Owen	Williams, Tex.
Crowther	Hall, N. Dak.	Parker, N. Y.	Wilson
Davenport	Hart	Peavey	Woodruff
De Priest	Hartley	Perkins	Yates
Dickinson	Hastings	Pittenger	Yon
Douglas, Ariz.	Hawley	Pratt, Harcourt J.	
Douglass, Mass.	Hess	Pratt, Ruth	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Buckbee (for) with Mr. Aldrich (against).
Mr. Keller (for) with Mr. Gifford (against).
Mr. Boylan (for) with Mr. Wigglesworth (against).
Mrs. Norton (for) with Mr. Hess (against).
Mr. Sirovich (for) with Mr. Johnson of Washington (against).
Mr. Fulbright (for) with Mr. Pratt (against).
Mr. Schuetz (for) with Mr. Davenport (against).
Mr. Cornling (for) with Mr. Shreve (against).
Mr. Tierney (for) with Mr. Beck (against).
Mr. Rogers (for) with Mr. Hawley (against).
Mr. Douglass of Massachusetts (for) with Mr. Bacon (against).
Mr. Greenwood (for) with Mr. Luce (against).
Mr. Maloney (for) with Mrs. Pratt (against).
Mr. Griffin (for) with Mr. Turpin (against).
Mr. Montet (for) with Mr. Finley (against).
Mr. Boehne (for) with Mr. Crowther (against).
Mr. Igoe (for) with Mr. Estep (against).
Mr. Gasque (for) with Mr. Doutrich (against).
Mr. Cannon (for) with Mr. Parker of New York (against).
Mr. May (for) with Mr. Kinzer (against).
Mr. Crosser (for) with Mr. Hawley (against).
Mr. Douglas of Arizona (for) with Mr. Bowman (against).

General pairs:

Mr. Drewry with Mr. Arentz.
Mr. Lanham with Mr. Lovette.
Mr. Underwood with Mr. McLeod.
Mr. Buchanan with Mr. Perkins.
Mr. Riley with Mr. Reed of Illinois.
Mr. Brand of Georgia with Mr. Britten.
Mr. Abernethy with Mr. Yates.

Mr. Romjou with Mr. Andrews of New York.
 Mrs. Owen with Mr. Kelly of Pennsylvania.
 Mr. Dickinson with Mr. Dowell.
 Mr. Smith of West Virginia with Mr. Foss.
 Mr. Doxey with Mr. Hartley.
 Mr. Spence with Mr. Woodruff.
 Mr. Drane with Mr. Tilson.
 Mr. Tucker with Mr. Frear.
 Mr. Williams of Texas with Mr. Pittenger.
 Mr. Driver with Mr. Nelson of Wisconsin.
 Mr. Lewis with Mr. Lambertson.
 Mr. Flannagan with Mr. Clague.
 Mr. Yon with Mr. Hogg of West Virginia.
 Mr. Hastings with Mr. Bohn.
 Mr. Gillen with Mr. Schneider.
 Mr. Hart with Mr. Hall of North Dakota.
 Mr. Wilson with Mr. Goodwin.
 Mr. Golder with Mr. James.
 Mr. Freeman with Mr. Swing.
 Mr. Johnson of Illinois with Mr. De Priest.
 Mr. Welch with Mr. Sullivan of Pennsylvania.

Mr. DARROW. Mr. Speaker, my colleague, Mr. KINZER is unavoidably absent because of an accident. If he were present, he would vote no.

Mr. SNELL. Mr. Speaker, my colleague Mrs. PRATT is unavoidably absent. If she were present, she would vote no.

The result of the vote was announced as above recorded.

On motion of Mr. SABATH, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

AMELIA EARHART PUTNAM

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, as the Representative in Congress from Westchester and Rockland Counties, New York, it is my special privilege, and I consider it a great honor, to introduce to my colleagues in the House the first woman to fly the Atlantic, the first woman to fly it alone, and the first pilot, either man or woman, to cross the ocean twice in an airplane.

Yesterday this House authorized the President of the United States to present her with the distinguished-service medal in recognition of her brilliant accomplishment. All the world joins the United States in rendering her the homage which she so richly deserves.

No woman is more gentle and no man more courageous. I present to you Amelia Earhart Putnam, of Westchester County, N. Y. [Applause.]

COLLECTION OF IMPORT DUTIES, VIRGIN ISLANDS

Mr. CRISP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 4367, to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail, and consider the same at this time. This is an administration bill dealing slightly with changing the customs laws of the Virgin Islands. It involves no expense whatever to the Government.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. Let the bill be reported.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of an act entitled "An act to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention entered into between said countries on the 4th day of August, 1916, and ratified by the Senate of the United States on the 7th day of September, 1916, and for other purposes," approved March 3, 1917 (39 Stat. 1134; U. S. C., title 48, sec. 1395), as amended by the act of February 25, 1927 (44 Stat. 1235; U. S. C., Supp. V, title 48, sec. 1395), be, and the same is hereby, amended to read as follows:

"Sec. 4. That until Congress shall otherwise provide all laws now imposing taxes in the said West Indian Islands, including the customs laws and regulations, shall, in so far as compatible with the changed sovereignty and not otherwise herein provided, continue in force and effect, except that articles the growth, product or manufacture of the United States shall be admitted there free of duty: Provided, That upon exportation of sugar to any foreign country, or the shipment thereof to the United States or any of its possessions, there shall be levied, collected, and paid thereon an export duty of \$6 per ton of 2,000 pounds, irrespective of polariscope test, in lieu of any export tax now required by

law: Provided further, That the internal-revenue taxes levied by the Colonial Council of St. Croix, or by the Colonial Council of St. Thomas and St. John, in pursuance of the authority granted by this act on articles, goods, wares, or merchandise may be levied and collected as the Colonial Council of St. Croix, or as the Colonial Council of St. Thomas and St. John, may direct, on the articles subject to said tax, as soon as the same are manufactured, sold, used, or brought into the island: And provided further, That no discrimination be made between the articles imported from the United States or foreign countries and similar articles produced or manufactured in the municipality of St. Croix, or in the municipality of St. Thomas and St. John, respectively. The officials of the Customs and Postal Services of the United States are hereby directed to assist the appropriate officials of the municipality of St. Croix, or of the municipality of St. Thomas and St. John, in the collection of these taxes."

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman make a brief explanation of the bill? I am acquainted with the measure, but I want to know whether the Senate bill is identical with the provisions of the bill recommended by the House committee.

Mr. CRISP. Mr. Speaker, in 1916 the United States acquired by treaty the Virgin Islands from Denmark. In the treaty it was provided that the laws in force in the Virgin Islands at the time we acquired them from Denmark should remain in force and effect, except that any commodity or product grown, produced, or manufactured in the United States should be permitted to enter the Virgin Islands free. The old laws under the Danish rule still apply, with that exception, and the only way the three cities of the islands meet their expenses is by levying taxes on goods imported. They do not collect sufficient amount of taxes to pay their expenses, and the United States Treasury has to make up the deficit. It is believed if this bill is passed those cities will become more nearly self-sustaining. This bill is an administration bill. It was sent to the Ways and Means Committee by the Treasury Department and also to the Senate committee, and the bills are exactly alike. The Ways and Means Committee had before it some of the officials of the Government, and the Ways and Means Committee unanimously reported the bill with a favorable recommendation. The only practical effect the bill has is to permit the postal authorities and the customs authorities located on the Virgin Islands to assist the authorities of those municipalities in examining parcel-post mail to see that goods are not smuggled into those communities without paying the tax. Goods grown, produced, or manufactured in the United States, as I say, are permitted to enter free. The Postmaster General says his department has no objection to the bill, the Treasury Department says it has no objection to the bill, it is easily administered, and the Secretary of the Interior makes a similar statement. The Governor of the Virgin Islands was here urging the speedy and prompt consideration of the bill.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. SNELL. I understood that they wanted to collect some revenues to pay expenses of the cities, but on the other hand, that everything from the United States goes in free.

Mr. CRISP. Yes. The Virgin Islands are a part of the United States. The United States does not levy taxes on goods going from one State to another State, and the United States does not levy taxes on goods coming from Puerto Rico, and they can not collect taxes on goods shipped from here. This confers on the Virgin Islands the same right to have the assistance of these officials that is conferred upon the Puerto Rican government. That is all it does.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

CONSENT CALENDAR

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that it shall be in order to consider the bills on the Consent Calendar to-day.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. That is, those that would have been in order yesterday?

Mr. O'CONNOR. Yes.

Mr. STAFFORD. With that qualification, I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will call the calendar.

CONSERVATION OF WILD LIFE, ETC.

The first bill on the Consent Calendar was the bill (S. 263) to promote the conservation of wild life, fish, and game, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. LA GUARDIA. Mr. Speaker, I reserve the right to object. I am not ready with that bill, and I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

VIRGIN ISLANDS

The Clerk called the next bill, H. R. 11363, relating to the immigration and naturalization of certain natives of the Virgin Islands.

The SPEAKER pro tempore. Without objection, a similar Senate bill will be considered.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That a native of the Virgin Islands of the United States who is now residing in any foreign country shall for the purpose of the immigration act of 1924, as amended, be considered as a nonquota immigrant for the purposes of admission to the United States; but shall be subject to all the other provisions of that act and of the immigration laws, except that—

(a) He shall not be subject to the head tax imposed by section 2 of the immigration act of 1917;

(b) He shall not be required to have a passport or immigration visa;

(c) If otherwise admissible, he shall not be excluded under section 3 of the immigration act of 1917, unless excluded under the provisions of that section relating to—

(1) Persons afflicted with a loathsome or dangerous contagious disease;

(2) Polygamy;

(3) Prostitutes, procurers, or other like immoral persons;

(4) Contract laborers;

(5) Persons previously deported; or

(6) Persons convicted of crime.

SEC. 2. The foregoing provisions of this act shall not apply to any such alien after the expiration of two years following the enactment of this act.

SEC. 3. An alien admitted to the United States under this act shall not be subject to deportation on the ground that he has become a public charge.

SEC. 4. Terms defined in the immigration act of 1924, as amended, shall, when used in this act, have the meaning assigned to such terms in that act.

SEC. 5. Section 1 of the act entitled "An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto," approved February 25, 1927, is amended by adding at the end thereof the following:

"(d) All natives of the Virgin Islands of the United States who are, on the date of enactment of this subdivision, residing in continental United States, the Virgin Islands of the United States, Porto Rico, the Canal Zone, or any other insular possession or Territory of the United States, who are not citizens or subjects of any foreign country, regardless of their place of residence on January 17, 1917."

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word. May I ask the author of the bill what was the purpose in extending the privileges to those who reside in the Canal Zone?

Mr. DICKSTEIN. Because the last act of Congress touching the matter took in only a certain number who resided on the islands. The status of most of the persons born on the Virgin Islands is such they can not go back to their own Virgin Islands. It applies only to those who were born on the islands.

Mr. STAFFORD. Mr. Speaker, I withdraw the pro forma amendment and shall offer a substantive amendment of a minor character.

I have examined the Senate bill. We are confronted with a little confusion arising out of the change of name from

Porto Rico to Puerto Rico, and I offer an amendment to change the spelling to the ancient form, which has recently been modernized and accepted—Puerto Rico.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: On page 3 of the Senate bill in line 6, strike out "Porto Rico" and insert in lieu thereof "Puerto Rico."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NATURALIZATION LAWS

The Clerk called the next bill, H. R. 10274, to amend the act approved March 2, 1929, entitled "An act to supplement the naturalization laws, and for other purposes" (45 Stat. 1512).

Mr. JENKINS. Mr. Speaker, I reserve the right to object, and yield part of my time to the chairman of the committee for an explanation.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that this bill go over to the next calendar day.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HEIRS OF DECEASED INDIANS

The Clerk called the next bill, H. R. 6684, to amend the act of June 25, 1910, entitled, "An act to provide for determining the heirs of deceased Indians, for the disposal and sale of allotments of deceased Indians, for the lease of allotments, and for other purposes," so as to authorize the Secretary of the Interior to modify the terms of certain contracts, when in his judgment it is in the interest of the Indians so to do.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I want to inquire of the author of the bill the reason the committee did not follow the recommendation of the department?

Mr. Speaker, I ask unanimous consent this bill may go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

RESTORATION OF STATUS OF WARRANT OFFICERS, REGULAR ARMY

The Clerk called the next bill, H. R. 11174, to restore to their former retired status in the Regular Army of the United States persons who resigned such status to accept the benefits of the act of May 24, 1928 (45 Stat. 735), and for other purposes.

Mr. LA GUARDIA. Mr. Speaker, reserving the right to object, this matter, I understand, is still in the courts. It is true that the Comptroller General rendered a decision as to the rights of these retired men, and then some additional or newly discovered evidence was submitted and a new decision was rendered.

The only right involved in these two decisions, they tell me, is the right to buy at commissaries, and things of that kind.

It seems to me that inasmuch as the case is still in court the matter should go over. Mr. Speaker, I ask unanimous consent to have the bill passed over without prejudice.

Mr. JAMES. This has nothing to do with post exchanges.

Mr. LA GUARDIA. That is the only privilege they are losing.

Mr. JAMES. This is a case where certain officers had to retire in order to come under a certain law.

Mr. LA GUARDIA. They are getting their pensions.

Mr. JAMES. No.

Mr. LA GUARDIA. Oh, yes. I inquired about that, and they are not losing their pensions at all.

Mr. GOSS. This has been requested by the department, and the committee was unanimous in reporting it.

Mr. LA GUARDIA. I took up the matter with the Comptroller General and he says the cases are still pending in court.

Mr. JAMES. This has reference to retired pay.

Mr. LA GUARDIA. I know, and they are not losing their retired pay at all. The gentleman can check that up. I would not stop it if that were so, but they are not losing their retired pay.

Mr. GOSS. It puts them back in their former status. They got out of this status to get this benefit.

Mr. LA GUARDIA. They chose to go to court so let them abide by the court decision. We should not interfere at all. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

BRIDGE ACROSS THE MISSOURI RIVER

The Clerk called the next bill, H. R. 10084, authorizing the city of Omaha, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr., and to acquire, maintain, and operate the existing toll bridge across the Missouri River between the cities of Omaha, Nebr., and Council Bluffs, Iowa.

The SPEAKER pro tempore. Three objections are required.

Mr. SWANSON, Mr. ROBINSON, and Mr. THURSTON objected.

COLLECTION AND PUBLICATION OF STATISTICS OF TOBACCO

The Clerk called the next bill, H. R. 9590, to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture," approved January 14, 1929.

Mr. LA GUARDIA. Mr. Speaker, reserving the right to object, as I understand the bill it broadens the territory for the gathering of statistics on tobacco. If the tobacco people believe that it will do them some good I am willing to abide by their judgment, but from my research of the subject I can not see that this particular survey and the publication of these yearly statistics is doing much good.

Mr. JONES. I will state to the gentleman that personally I am not familiar with tobacco, but a subcommittee was appointed and after hearing tobacco people that committee unanimously agreed that the bill would be beneficial.

Mr. VINSON of Kentucky. I may say to the gentleman from New York that I do not think the present law goes far enough and I do not think this amendment goes far enough but it, at least, gives added information to the tobacco growers.

Mr. LA GUARDIA. Do they heed that information?

Mr. VINSON of Kentucky. It gives them this added information when they sit across the table from the man who buys the tobacco. The purchaser has information as to the extent of the tobacco crop. If the growers of tobacco can have information as to the quantity, quality, type, and grade of tobacco on hand that is helpful to them in making a better deal as to the price.

Mr. LA GUARDIA. As a matter of fact, when they get information—and this becomes interesting in the light of our whole attitude toward the control of production, if we can—as to the quantity of tobacco on hand, do they regulate their planting accordingly?

Mr. VINSON of Kentucky. There is more regulation going on now than heretofore. This bill provides for the reports for the three-fourths period of the preceding calendar year instead of the full calendar year. Under the present law, you do not get those data until after the season's crop has been disposed of. If you provide for the period of three-fourths the calendar year, the growers will have the information as to the quantity on hand, type and grade. That undoubtedly gives them some information that is of great help to them.

Mr. JENKINS. Will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. JENKINS. How much additional will this cost?

Mr. VINSON of Kentucky. I do not think there is any substantial additional expense to it at all.

Mr. LA GUARDIA. It will increase the source of information and, of course, it will mean more stationery and

things of that sort, but I do not think the added cost will be very much.

Mr. VINSON of Kentucky. The cost is not appreciable.

Mr. JENKINS. Is not this the principal argument in favor of the bill, that the information which would be of help to the man who sells his tobacco does not come out in time to give him the full benefit of the information which may be obtained as to the crop and the quality of the crop?

Mr. VINSON of Kentucky. If he sells his tobacco in December or January and the report is not available until February, the grower does not have the advantage of that knowledge in time for it to be worth anything. This would not mean any appreciable added expense.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, there are two questions that are confusing me—one in particular—and that is as to the authority that is attempted to be conferred in section 2. What constitutional right have we to exact from any tobacco grower the furnishing of statistics without any return for his efforts in compiling such statistics?

Mr. VINSON of Kentucky. We have that right now, and we are exercising it under the present law.

Mr. STAFFORD. I question very much if any tobacco grower wished to set up the constitutional objection that there is no power in the National Government to exact the furnishing of such statistics as to his private business, whether his right would be questioned to decline to furnish the statistics.

Mr. VINSON of Kentucky. I may say to the gentleman that the original grower is exempted from the operation of the section.

Mr. STAFFORD. It is stated here, "dealer, manufacturer, quasi manufacturer, warehouseman, broker, holder"—

Mr. VINSON of Kentucky. "Other than the original grower."

Mr. STAFFORD. Yes; but what right have we to exact from these designated persons or associations the furnishing of information without any compensation for such service?

Mr. LA GUARDIA. The answer to that, I think, is that we have the same right the Census Bureau has to come in and collect such information.

Mr. STAFFORD. The gentleman is beyond his position so far as the constitutional prerogative as to the census is concerned. Under the Constitution we are authorized only to take a census of the population. This is not a census of population.

Mr. LA GUARDIA. But the Census Bureau takes a census of other things.

Mr. STAFFORD. And I can cite the gentleman to a decision of one of the United States courts that absolutely negatives the right of Congress to call upon any individual to furnish information of this sort other than with respect to population.

Mr. VINSON of Kentucky. I may suggest to the gentleman that the only amendment in section 3 is the addition of the words "quasi manufacturers," and limiting the time of the report from 15 days to 10 days.

Mr. STAFFORD. I am quite aware of that fact, but I am bringing up this constitutional question in view of the tenacity which the gentleman from Kentucky sometimes asserts on matters of constitutional rights.

This brings up the further question as to why the collation of these statistics should not be under the Census Bureau rather than the Department of Agriculture.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. LA GUARDIA. The gentleman knows that even in the last census, besides taking a census of population, we took a census of the radios, a census of farms, and all sorts of matters.

Mr. STAFFORD. They were taken at the expense of the National Government, but here you are requiring a service from an individual which you have no right to exact without compensation. It is taking private property without

due compensation at law, and wherever that prerogative has been asserted the courts have upheld the right of the individual to refuse the furnishing of the information. I may say here that in the economy bill yesterday we repealed a provision that was passed some years ago when I was out of Congress, unfortunately—

Mr. LAGUARDIA. Unfortunately, for the bill?

Mr. STAFFORD. No; fortunately for the bill. This provision required the collation of statistics on leather and the like, a needless expense put upon the leather manufacturers, requiring them to give information as to the amount of leather they may have in their possession.

I now put this direct question to the gentleman. Why are not these statistics compiled by the Census Bureau, as we do in the case of cotton rather than by the Department of Agriculture?

Mr. VINSON of Kentucky. I can answer the gentleman right to the point. Formerly the statistics were compiled in the Department of Commerce. The friends of the tobacco growers made specific request to have the statistics compiled by the Department of Agriculture, thinking it was more in keeping with their work and that they would certainly be more friendly to the farmer. I was one who made this fight to secure the change.

Mr. LAGUARDIA. I do not think the gentleman from Wisconsin would argue that it would be constitutional for the Bureau of the Census and unconstitutional for the Department of Agriculture.

Mr. STAFFORD. No; it is unconstitutional in either instance. I am simply taking the floor to point out to these growers that there is no power in the Constitution requiring them to do this work without paying them for it.

I withdraw the reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture," approved January 14, 1929, is amended to read as follows:

"That the Secretary of Agriculture be, and he is hereby, authorized and directed to collect and publish statistics of the quantity of leaf tobacco in all forms in the United States owned by or in the possession of dealers, manufacturers, quasi-manufacturers, growers' cooperative associations, warehousemen, brokers, holders, or owners, other than the original growers of tobacco. The statistics shall show the quantity of tobacco in such detail as to types and groups of grades as the Secretary of Agriculture shall deem to be practical and necessary for the purpose of this act, and said statistics shall show the stocks of tobacco of the last four crop years, including therein the production of the year of the report, which shall be known as new crops, separately from the stocks of previous years, which shall be known as old crops, and shall be summarized as of January 1, April 1, July 1, and October 1 of each year: *Provided*, That the Secretary of Agriculture shall not be required to collect statistics of leaf tobacco from any manufacturer of tobacco who, in the first three-quarters of the preceding calendar year, according to the returns of the Commissioner of Internal Revenue, manufactured less than 35,000 pounds of tobacco, or from any manufacturer of cigars who during the first three-quarters of the preceding calendar year manufactured less than 185,000 cigars, or from any manufacturer of cigarettes who, during the first three-quarters of the preceding calendar year, manufactured less than 750,000 cigarettes."

Sec. 2. Section 3 of such act of January 14, 1929, is amended to read as follows:

"Sec. 3. It shall be the duty of every dealer, manufacturer, quasi manufacturer, growers' cooperative association, warehouseman, broker, holder, or owner, other than the original grower, except such persons as are excluded by the proviso to section 1 of this act, to furnish within 15 days after January 1, April 1, July 1, and October 1 of each year, completely and correctly, to the best of his knowledge, a report of the quantity of leaf tobacco on hand, segregated in accordance with the blanks furnished by the Secretary of Agriculture. Any person, firm, association, or corporation required by this act to furnish a report, and any officer, agent, or employee thereof who shall refuse or willfully neglect to furnish any of the information required by this act, or shall willfully give answers that are false or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than \$300 or more than \$1,000, or imprisoned not more than one year, or both."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CHIPPEWA INDIAN TERRITORY IN MINNESOTA

The Clerk called the next bill, H. R. 9495, to establish the boundary lines of the Chippewa Indian Territory in the State of Minnesota.

Mr. KNUTSON. Mr. Speaker, the legal description contained in this bill is not accurate and at the suggestion of the Indian Bureau I introduced a similar bill (H. R. 12329), which is No. 362 on the calendar. I therefore ask unanimous consent that this bill be stricken from the calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DIMINISHED COLVILLE INDIAN RESERVATION, WASH.

The Clerk called the next bill, S. 2983, for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, it has been several days since I have looked at my calendar. How about this 5 per cent interest provision? Is that lawful? Is not that rather high?

Mr. HILL of Washington. It is rather high, but that is the suggestion of the department.

Mr. LAGUARDIA. What does the gentleman from Wisconsin [Mr. STAFFORD] say about that?

Mr. STAFFORD. I have examined the bill very carefully. This is a Senate bill. There is no objection to the bill in its present form. If you want to reduce the amount, of course there may be objection to it.

As to the rate of interest—

Mr. LAGUARDIA. That is what I am concerned about.

Mr. STAFFORD. If the gentleman will permit, the House imposed upon me and I graciously accepted the burden the duty of trying to adjust the differences between those opposed and those in favor of extending the time for payment of construction charges on irrigation works.

The major question was as to the amount of interest to be paid on the deferred charges. They left to the Secretary of the Interior the determination of the rate of interest. The Secretary of the Interior fixed it at 5½ per cent, for the reason that it was not fair to those who had paid charges to be relieved of the burden, and also more or less of a penalty, so that everyone would not come in and avail himself of the privilege of deferred construction charges.

Mr. WILLIAMSON. I think in all of these extensions, affecting both whites and Indians, the uniform rate has been 5 per cent.

Mr. LAGUARDIA. In other words, it is not any criterion that the Government is establishing a rate of interest; it is more in the form of payment for deferred charges.

Mr. WILLIAMSON. That is correct.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, to extend for a period of not to exceed two years the time for the payment of any installment or installments due, or hereafter to become due, of the purchase price for lands sold under the act of Congress approved March 22, 1906 (34 Stat. 80): *Provided*, That the payments extended under the provisions of Public Resolution No. 33, approved March 19, 1920 (41 Stat. 535), may be extended hereunder: *Provided further*, That any and all payments must be made when due unless the entryman applies for an extension and pays interest for one year in advance at 5 per cent per annum upon the amount due, and patent shall be withheld until full and final payment of the purchase price is made in accordance with the provisions hereof: *Provided further*, That where payments are extended hereunder for more than one year the same rate of interest shall be paid in advance for the second year: *And provided further*, That failure to make any payment that may be due, unless the same be extended, or to make any extended payment at or before the time to which such payment has been extended as herein provided, shall forfeit the entry, and the same shall thereupon be canceled, and any and all payments theretofore made shall be forfeited.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word. The only question about these deferred collection payments was paying the interest in advance. I would like to inquire from the author of the bill, or the gentleman

having the matter in charge, whether we usually require that condition of making the interest payable in advance?

Mr. HILL of Washington. I am not really advised about that. We came to Congress and asked for this leniency and consulted with the Secretary of the Interior, and the department imposed it in the bill.

Mr. STAFFORD. I notice in the letter of the Commissioner of the General Land Office he says it is the practice of this office to hold an entry for cancellation for nonpayment of the required amount, in a letter addressed to the register of the land office for the district in which the land is situated, setting out that if the required payment is not made, or an appeal filed within the time allowed, the entry will be canceled and the case closed, and it is not believed that any good purpose would be served by having this practice changed in the case of the Colville land.

Mr. HILL of Washington. I want to say that they had a series of trying years with no crops, and they were unable to meet their payments.

Mr. STAFFORD. How much acreage is involved?

Mr. HILL of Washington. I would have to guess, but I would say something like 10,000 acres.

Mr. STAFFORD. How many settlers?

Mr. HILL of Washington. There are 110 acres of land to each settler in a quarter section. I am not advised as to the number of settlers.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

TAX LAWS FOR RESERVED AREAS AT BOULDER DAM

The Clerk read the next bill on the Consent Calendar, H. R. 11945, to provide that tax laws in Nevada and Arizona shall apply to construction and reserved areas at Boulder Dam.

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS, Mr. STAFFORD, and Mr. COLLINS objected.

INDIAN IRRIGATION PROJECT

The Clerk read the next bill on the Consent Calendar, S. 3675, an act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects.

Mr. GOSS. Mr. Speaker, I reserve an objection. How many of these Indian projects are there?

Mr. LEAVITT. The Indian irrigation projects under contract and under similar conditions to these—as far as I know—would apply to two projects in the State of Washington, one or two in Montana, and that is as far as my information goes.

Mr. SUMMERS of Washington. I would like to say that there is one project in my district which has made more repayments than any other Indian project in the United States. At this time it is not able to carry on at all. There are several hundred of these water users on the Wapato project. I repeat, this project has an unsurpassed record for repayments, but at this time the farmers greatly need this legislation, and I hope no gentleman will object to the present consideration of the bill. My farmers are in sore distress at this time.

Mr. LEAVITT. What it does is to give these people who are situated in exactly the same way as the water users on Government irrigation projects, exactly the same treatment as those others receive. It provides that they shall have exactly the same treatment as was given under the bill which passed the House and Senate and is now a law to those living on other projects. To begin with, they must apply for it, and pay the interest on the deferred charges, with one year of complete deferment, for the second year deferment on one-half of the charge.

Mr. GOSS. There is nothing in the report that says how much money is involved.

Mr. LaGUARDIA. I do not think there is any justification for the bill at all. I am perfectly willing to let it go over without prejudice.

Mr. LEAVITT. There is the same justification that is found in connection with the other Government projects. The statement made at the end of the report by the Assistant Commissioner of Indian Affairs reads as follows:

It would seem altogether consistent, therefore, that, if Congress enacts legislation granting deferment and adjustment of construction charges on lands included in projects under the reclamation law, similar legislation be enacted extending relief to the projects under the Indian irrigation service as is contemplated.

We did pass such an act for the other projects, and that is the justification for this, in order that the people who are situated exactly in the same way, except that they are on the Indian irrigation projects, shall have exactly the same treatment. This bill does nothing except to extend exactly the same treatment already given by a vote of the House and Senate to settlers situated in exactly the same way on other projects. However, that legislation applied only to Federal projects and could not be extended to those on the Indian projects. That is why we need this legislation.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. STAFFORD. A moment or two ago I referred to the general bill that we passed providing for the relief of settlers on irrigation projects. In my investigation of the subject it was called to my attention that 50 per cent had paid their construction charges, and that it was mostly the ne'er-do-wells who were pressing their Representatives in Congress to get this concession. I rise to ask whether the gentleman would have any objection to this series of amendments: Line 5, page 1, after the word "of," insert "such of the"; and after the word "charges," insert the words "as are in default," so that it would read:

To defer the payment of such of the construction charges as are in default for the calendar year 1931.

Also, in line 9, strike out the words "and to the same extent."

I do not think the gentleman should ask or that it is his purpose to extend this privilege to those who have paid their construction charges.

Mr. LEAVITT. No; there is no such intention.

Mr. STAFFORD. Under the original act there was no inducement made to have the privilege extended to those who had already paid and were in a position to pay. It was nothing more than a raid, a stampede upon the part of the ne'er-do-well settlers who were organized in Idaho to try to take an unfair advantage of the Government. I recognize the merit of the position of the gentleman in trying to extend the provisions of that law to these Indian projects.

Mr. LEAVITT. Of course the result of that would be that the settlers on the Indian projects would not get exactly the same treatment as those on other Government projects, and we have already given to the settlers on the other projects certain privileges. All this act does is to extend to those settlers what we have done for the others.

Mr. STAFFORD. If I had known at the beginning of my investigation what I did at the conclusion, I would not only have fought it from the first but I would certainly have excepted those settlers who had paid their construction charges; and I am asking that reasonable provision to come to the relief of those not able to pay, not for the relief of those who are.

Mr. LEAVITT. Of course, I would have to accept that if the gentleman insists upon it, although I think it would be discriminatory. The difficulty is that we deal here with associations of people, not with the individuals. A number of years ago the Reclamation Service abandoned the idea of dealing with the individual. The same situation exists here. I have in mind the Flathead project, not in my district, where they have organized their districts and deal with associations. To apply the gentleman's proposition would be difficult on that account. I think they should have just the same treatment, because they are in exactly the same situation. I hope the gentleman will not insist upon that, because it would be hard to apply.

Mr. STAFFORD. The remedy would be extended to those who are needful of relief, but it would not be extended to those who do not require this relief.

Mr. LEAVITT. The way the other has worked out is that many of them have not made any application at all, and this requires the making of an application and dealing with the organizations.

Mr. STAFFORD. My amendment is a very reasonable one, in view of the disclosures in connection with the other measure.

Mr. LEAVITT. Of course, as I have said, I can not resist it on the Consent Calendar, if the gentleman insists.

Mr. LaGUARDIA. Mr. Speaker, I would like to examine the gentleman's amendment, so I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TAX LAWS OF NEVADA AND ARIZONA

Mr. JENKINS. Mr. Speaker, with reference to the bill immediately preceding the one just disposed of, namely, H. R. 11945, to provide that tax laws of Nevada and Arizona shall apply to construction and reserved areas at Boulder Dam, I made objection to that bill when it was called. It is a bill in which my colleague, the gentleman from Nevada, Mr. ARENTZ, is interested, and the gentleman is not present. Some of my colleagues have asked that that objection be set aside. Therefore, I ask unanimous consent, Mr. Speaker, that the objection be set aside and an order substituted that it be passed without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COLORADO RIVER REIMBURSABLE LOANS

The Clerk called the next bill, S. 3864, authorizing expenditures from Colorado River tribal funds for reimbursable loans.

Mr. GOSS. Reserving the right to object, I notice from reading the report that there is no mention of how much money is in that fund. I notice the bill asks for reimbursing \$25,000. I would like to inquire how much is in the fund?

Mr. HOWARD. I do not know offhand, but I think that tribe has considerable money.

Mr. PATTERSON. If the gentleman will yield, I have the figures.

Mr. GOSS. I yield.

Mr. PATTERSON. Fifty-five thousand four hundred and eighty-eight dollars.

Mr. GOSS. Then this would take about one-half the funds of the tribe?

Mr. HOWARD. Yes; if the Secretary should decide to use that much.

Mr. GOSS. Why does the gentleman put in the language contained in lines 8 to 14 on page 2 of the bill "except in the case of loans on irrigable lands for permanent improvement of said lands in which the period for repayment may run for not exceeding 20 years"? Why the 20 years?

Mr. HOWARD. Well, there is good security there. It would not matter.

Mr. GOSS. The gentleman knows that many of these irrigation projects come here with these Indian irrigation matters and put them off and put them off, and the funds never get back to the Treasury.

Mr. HOWARD. This particular irrigation project, as I understand, is out of debt.

Mr. GOSS. There is no debt?

Mr. HOWARD. That is the way I understand it, and I take it for granted that the Secretary of the Interior regards that loan as absolutely good. That would be my estimate of it, although I am not qualified to speak for the Secretary.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to use not to exceed \$25,000 from tribal funds on deposit to the Indians of the Colorado River Indian Reservation, Ariz., for the construction of homes for individual members of the tribe, the purchase for sale to them of seed, animals, machinery, tools, implements, building material, and other equipment and supplies, and for advances to old, disabled, or indigent Indians for their support, and Indians having irrigable allotments to assist them in the development and cultivation thereof: *Provided,* That expenditures for the purposes above set forth shall be limited to the fiscal years 1932 and 1933 and such expenditures shall be made under conditions to be prescribed by the Secretary of the Interior for repayment to the United States for deposit to the credit of the Colorado River Indian tribal fund on or before June 30, 1938, except in the case of loans on irrigable lands for permanent improvement of said lands in which the period for repayment may run for not exceeding 20 years, in the discretion of the Secretary of the Interior, and advances to old, disabled, or indigent Indians for their support, such advances to remain a charge and lien against their lands until paid.

Passed the Senate April 25, 1932.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PERMISSION TO EXAMINE GOVERNMENT RECORDS IN RE WISCONSIN INDIANS

The Clerk called the next business on the Consent Calendar, Senate Joint Resolution 125, authorizing the attorney general of Wisconsin to examine Government records in relation to claims of Wisconsin Indians.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, this is a Senate joint resolution. Ordinarily I would move to strike out the whereas clauses as that is generally done. Of course, that would necessitate the bill going back to the Senate.

Mr. STAFFORD. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. STAFFORD. I have had some private talks with my friend the gentleman from Wisconsin [Mr. SCHNEIDER] about the investigating privileges to be conferred by this bill. I had some doubt as to whether we should confer upon any representative of a State the right to invade the departments and obtain evidence or information as the basis of a claim, without the approval of the department head. I am a little wary about granting the privilege to a subordinate of a State to go into a department with a certificate of authority from the National Government and say, "I have authority from the National Government and I can search your files and records to any extent I may, because here is congressional authority."

Mr. LaGUARDIA. The secretary says you can get all of this information.

Mr. STAFFORD. As far as the Secretary of the Interior is concerned, there is no need whatsoever for this resolution. My colleague the gentleman from Wisconsin [Mr. SCHNEIDER] told me it is desired to have this investigational power as to other departments.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. SCHNEIDER. I would like to state to the gentleman and to the House that that desired information can not be secured from the Comptroller General. I have a letter to that effect wherein he says he can not grant that permission without the consent of Congress by act. Therefore, that resolution was introduced and passed by the Senate. The provisions in the resolution mentioned by the gentleman from Wisconsin [Mr. STAFFORD] are granted in jurisdictional bills, wherein they ask to go to the Court of Claims. The acts carry the provision that the department shall furnish all the information.

Mr. STAFFORD. Would my colleague have any objection to the incorporation in the first section on page 2, after the word "authorized," the following: "subject to the approval of the respective departments or independent establishments"?

Mr. LaGUARDIA. I was going to suggest that it seems to me the authority should have been permissive to the United

States officials. If I were drawing this bill, I would say that the Secretary of the Interior or any head of a department is hereby authorized to permit the attorney general, and so on. I would have made it permissive. This gives them the absolute right to walk in and search the records. While it may be all right in this instance, it is a peculiar precedent to establish.

Mr. SCHNEIDER. I would like to have my colleague read the amendment.

Mr. STAFFORD. After the word "authorized" in line 1 on page 2, insert, "subject to the approval of the respective departments or independent establishments," so that it will read—

is authorized, subject to the approval of the respective departments or independent establishments, to examine official letters, papers, documents, and records, etc.

Mr. LEAVITT. The gentleman means subject to the approval of the heads of those departments.

Mr. STAFFORD. Yes; subject to the approval of the respective departments.

Mr. LEAVITT. Does the gentleman not think the language "approval of the heads of the respective departments" should be included?

Mr. LA GUARDIA. That may put the discretion of permitting the giving of the information with the head of the department. I wonder if it would not be better to say "under such conditions as the heads of the respective departments may prescribe"? I think that would be better.

Mr. JENKINS. Will the gentleman yield there? There is no reason why the Federal branch should not permit the State attorney general to have the information if he wishes it. It is permissive; the head of the department may.

Mr. LEAVITT. The Department of the Interior may. The gentleman from Wisconsin has a letter from the comptroller stating that he does not have the authority under the law to allow a search of the records there.

Mr. JENKINS. I do not believe he ought to have the authority.

Mr. LEAVITT. The gentleman from New York offers an amendment that would permit him to do that under such rules as he may prescribe. If I may take just a moment, I will state what the Committee on Indian Affairs is attempting to do, although perhaps it has not approached it in exactly the right way there in accepting the Senate language just as it came to us. You will recall that in the case of California we passed a bill that authorized the bringing of certain cases in the Court of Claims under the requirement that the attorney general of the State should represent the Indians of the State.

Here we have a situation where the State of Wisconsin has taken the preliminary steps to represent through its own attorney general Indian citizens of that State, and we think that under conditions such as are presented to us, it is a good thing to open the door.

I agree with the gentleman from New York that it should be under proper restriction, but an examination of the records is necessary so they can properly represent the rights of the Indian citizens of that State.

Mr. LA GUARDIA. I do not think there is any objection to what the gentleman is endeavoring to do. What this bill does, as pointed out by the gentleman from Wisconsin [Mr. STAFFORD], is to grant the power and authority in the visiting official or State officials. What you intend to do is to make it permissive for the State officials to obtain this information.

Mr. LEAVITT. I think the gentleman's suggestion is a good one.

Mr. JENKINS. The part I am opposed to is not that part which was sought to be amended, but the last part, which says: "And the departments and the independent establishments of the Government shall give access to the attorney general of Wisconsin, or his duly accredited representative, to such official letters, papers, documents, and records." Now, that is going pretty far.

Mr. LEAVITT. If it were not too late in the session, I would want to substitute "attorney general of any State."

Mr. BALDRIGE. Mr. Speaker, I object.

CHELAN NATIONAL FOREST

The Clerk called the next bill, S. 3711, to authorize the adjustment of the boundaries of the Chelan National Forest in the State of Washington, and for other purposes.

Mr. GOSS. Mr. Speaker, reserving the right to object, I notice in the report that there are some 350,000 acres embraced in this 4-mile tract that it is proposed in a permissive way to acquire as part of this national forest.

Mr. HILL of Washington. Yes.

Mr. GOSS. I notice there are some 40,000 acres of public land.

Mr. HILL of Washington. I think there are 35,000 acres of public land.

Mr. GOSS. What are the timber rights on this land? I take it there is stumpage on the land.

Mr. HILL of Washington. The timber on some of this privately owned land has been cut off. In fact I would say the timber has been largely cut off, but there is a new growth of timber coming on, and the land is valuable, particularly to that country, for watershed purposes.

Mr. GOSS. In these cases sometimes the exchange is made on the basis of stumpage. Of course the gentleman is familiar with these terms, coming from a lumber State. In several instances they acquire the land itself; and sometimes in these transfers, unless we are pretty well safeguarded, there is a chance for fraud.

Mr. HILL of Washington. This land is to be exchanged on the land-value basis.

Mr. GOSS. Is it on the value of the stumpage or the value of the land?

Mr. HILL of Washington. The value of the stumpage belonging to the United States Government within the national forest. The exchange is for land of equal value within the 4-mile area.

Mr. GOSS. That is just the point. Within the Government forest there is timberland, and there are stumpage rights. Is not that true?

Mr. HILL of Washington. Yes.

Mr. GOSS. If you transfer that property for some of these logged or partially logged off lands, it seems to me we are giving away some pretty good stuff.

Mr. HILL of Washington. It is only on the basis of equal value.

Mr. GOSS. That is the point I am making. How is it arranged? Is it stumpage in one instance and the plain lands in the other instance?

Mr. EATON of Colorado. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. EATON of Colorado. This is one of a series of bills that apparently is in accord with the policy of the Forestry Department to increase the size of the forests by extending the boundaries a certain number of miles. Most of them are 6 miles, while this one is 4 miles. The policy is to exchange lands which are already in the forest for lands which are outside, and for the United States Government to obtain title to lands now in private ownership outside of the forests, so that they may have control over certain lands outside the existing forests. What the Forestry Bureau is going to do in the future has not yet been disclosed.

Mr. GOSS. The proposal is to give land that has good stumpage rights for land that is partially cut over. There is a lot of difference between the value of the land itself and the value of the land and the stumpage. That is what I am getting at.

Mr. LEAVITT. Under the forest exchange act this sort of thing has been done for a considerable period of years.

Mr. EATON of Colorado. Since 1922.

Mr. LEAVITT. I am sure no gentleman can call my attention to any criticism that has ever been raised as to this exchange not being on a proper basis of value. The Forest Service has its organization that appraises the land and looks out for the interests of the Government. It knows the

amount of stumpage that is being exchanged and the value of it in the market, and the exchange is made entirely on the basis of value.

Mr. GOSS. The railroads have endeavored to get rid of a lot of that timberland out there, and there have been some great scandals in connection with some of those deals.

Mr. LEAVITT. The gentleman can not point to any scandals in connection with these forest exchanges on the part of the Forest Service. Nothing that even breathes of scandal has ever transpired.

Mr. GOSS. I notice there is not any money carried in it; but if we are going to take on 350,000 acres, it is going to cost something to patrol it and police it.

Mr. STAFFORD. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. STAFFORD. The gentleman is acquainted with the fact that the House, when the Committee on the Public Lands had its day on Calendar Wednesday, objected, and very strenuously objected, to a similar bill involving a large acreage located in the State of Idaho, some 500,000 acres, which it was intended to have incorporated in a forest reserve under similar conditions.

Mr. LEAVITT. Not the same conditions. As I understand, this bill allows an exchange within 4 miles around the boundaries of the national forest.

Mr. HILL of Washington. That is correct.

Mr. LEAVITT. Such a law has been in existence in Montana for quite a few years, and under its provisions exchanges are gradually made and consolidation of various areas are being brought about. This adds to the efficiency of administration rather than adding difficulties.

Mr. STAFFORD. We virtually buy the lands outside the present borders, and through this procedure we always increase the borders of the forest reserves.

Mr. LEAVITT. In order to have what you might call proper control in the way of fire protection and efficient administration of the forest, it is to the general advantage of the community to have this done. That can be shown through the fact that the communities which surround these forests are continually presenting petitions asking that areas of this kind be included in the forests for protection and better administration.

Mr. EATON of Colorado. Before the committee the only objection made to this type of bill has been where there has been a general authorization given to an entire State, but in various States those who know something about the particular forests have given evidence to the committee that in the case of particular forests it is proper to let those interested in such forest determine the boundaries and get the advantage of this exchange provision in existing law for lands outside the present boundaries.

Mr. STAFFORD. Does the gentleman believe it proper for the National Government to purchase such lands?

Mr. PATTERSON. Mr. Speaker, I demand the regular order.

Mr. GOSS. Mr. Speaker, if I am to be shut off, I will have to object.

SILVER SERVICE OF THE GUNBOAT "MARIETTA"

The Clerk called the next bill, H. R. 1225, authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, the silver service presented to the United States for the gunboat *Marietta*.

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I shall not object, I make this reservation for the purpose of calling the attention of the author of the bill to the fact that there is one misspelled word in the title. I do not suppose that can be corrected without an amendment.

Mr. STAFFORD. I assume the gentleman from Ohio, the author of the bill, will have no objection to the incorporation of the customary reservation that this silver service shall be returned when the Navy Department has need of it?

Mr. MOORE of Ohio. I have no objection to such an amendment.

Mr. STAFFORD. That is the customary reservation in all these bills. The gift is always made with the proviso that in case the Navy Department has occasion to use the silver service it may claim it.

Mr. LA GUARDIA. I think the better thing would be not to accept any more silver-service sets.

Mr. STAFFORD. There is a patriotic spirit developed when they see a silver service formerly in use on some cruiser or some battleship that can be kept as an heirloom.

Mr. LA GUARDIA. But I think the tradition is different. The silver set was usually presented to a battleship when they were used in drinking punch.

Mr. STAFFORD. Well, outside of the 12-mile limit there is no law that forbids the sailors or the officers to drink punch, I am very happy to say—

Mr. LA GUARDIA. I never thought of that.

Mr. STAFFORD. And perhaps in the near future they may have renewed use for it.

Mr. JENKINS. If the gentleman will permit, I am sure the gentleman from Ohio [Mr. Moore] would not want these articles returned for that purpose.

Mr. STAFFORD. But it may be that the authorities may want them withdrawn for that purpose and I want to fix it so they may be returned in that event.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, for preservation and exhibition, the silver service which was presented to the United States for the gunboat *Marietta* by the citizens of Marietta, Ohio: *Provided,* That no expense shall be incurred by the United States for the delivery of such silver service.

Mr. STAFFORD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Stafford: Page 1, line 6, after the word "exhibition," insert "until such time as he shall determine the Navy Department has need of the same."

The amendment was agreed to.

Mr. MOORE of Ohio. Mr. Speaker, I ask unanimous consent that the clerk be authorized to correct the spelling of the word "museum" in the title.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CRATER LAKE NATIONAL PARK

The Clerk called the next bill, S. 4070, to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park.

Mr. LA GUARDIA. Mr. Speaker, reserving the right to object, it seems to me we will have complications here if we permit an individual or a private corporation to construct a building on Government property in this way. It might be easier if we simply gave them title to as much land as may be necessary for this purpose.

Mr. LEAVITT. Not in one of the national parks.

Mr. LA GUARDIA. Who owns the building?

Mr. BUTLER. Kisers (Inc.).

Kisers (Inc.), under a permit from the Park Service, put up this building at an expense of six or seven thousand dollars. Apparently, it was not profitable to them. The Government then commenced to use it, and the Park Service and the Interior Department do not feel that it is just to these parties to use this valuable building, which, if it were taken away—

Mr. LA GUARDIA. It can not be taken away.

Mr. BUTLER. Strictly speaking, it can not be taken away. When the permit expired, ownership became vested in the Government, but the man who placed it there has lost the money and they feel it is an act of justice. Personally, it means nothing to me. The owner is not even a constituent of mine.

Mr. LaGUARDIA. It will be much easier for me to object under those conditions.

Mr. BUTLER. Very well.

Mr. LaGUARDIA. I object, Mr. Speaker.

WIDOWS ISLAND, ME.

The Clerk called the next bill, H. R. 5642, to authorize and direct the transfer of Widows Island, Me., by the Secretary of the Navy to the Secretary of Agriculture for administration as a migratory-bird refuge.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the impression I gained from reading the report on this bill is that the Secretary of Agriculture wants to have a nice summer outing place for some of the officials of that department.

Mr. LaGUARDIA. I thought it was for the birds.

Mr. STAFFORD. I do not think the Secretary of Agriculture has made a strong case, except for providing a hibernating place for some of their officials during the summer months up in the delightful climate of Maine. I therefore object.

FORT WORTH DIVISION OF THE NORTHERN JUDICIAL DISTRICT OF TEXAS

The Clerk called the next bill, H. R. 11390, to detach Hardeman County from the Fort Worth division of the northern judicial district of the State of Texas and attach the same to the Wichita Falls division of said district.

Mr. JENKINS. Mr. Speaker, on these bills I usually reserve the right to object to inquire as to whether there is any objection to the bill on the part of the lawyers or any of the bar associations.

Mr. SUMNERS of Texas. My understanding is that everybody is in favor of it.

Mr. JONES. It saves the Government some money and saves the people some inconvenience.

Mr. JENKINS. Mr. Speaker, I withdraw the reservation of objection.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That Hardeman County, of the Fort Worth division of the northern judicial district of the State of Texas, be, and the same is hereby, detached from said division of said district and attached to and made a part of the Wichita Falls division of said northern judicial district of the State of Texas.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

COLVILLE NATIONAL FOREST

The Clerk read the next bill on the Consent Calendar, H. R. 9440, to authorize the adjustment of the boundaries of the Colville National Forest in the State of Washington, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. GOSS. Reserving the right to object, here is another of these national forest bills, involving 674,900 acres of land. I notice down here that the prices range from 25 cents to \$7 an acre. That takes in the question of stumpage.

Mr. HILL of Washington. This is the same proposition. This is outside of the Indian reservation.

Mr. GOSS. I do not think at this time we should involve the Government in taking over these large tracts of land, and have to police them.

Mr. HILL of Washington. We do not have to take them over right away; this is simple permissive.

Mr. GOSS. But I never saw a permissive bill that did not actually come into a reality.

Mr. HILL of Washington. This is simply to give them the opportunity—that is the purpose of the bill.

Mr. GOSS. I wish we had some more definite information about the stumpage and the value of the stumpage. This is too big a proposition to let it go by without consideration.

Mr. HILL of Washington. These lands are mountain lands of very little value. They are isolated, and what little timber is on them would be of the value of about

\$2.50 a thousand. The land and the stumpage is cheap on account of the isolated character of the country.

Mr. GOSS. I object, Mr. Speaker.

AMENDING THE DISTRICT OF COLUMBIA TRAFFIC ACT

The Clerk read the next bill on the Consent Calendar, S. 4123, an act to amend the District of Columbia traffic act as amended.

Mr. COLLINS. I object.

PAYMENT OF GRATUITY TO DEPENDENT RELATIVE OFFICERS, ETC.

The Clerk read the next bill on the Consent Calendar, H. R. 6734, a bill to amend an act entitled "An act to authorize payment of six months' death gratuity to dependent relatives of officers, enlisted men, or nurses whose death results from wounds or disease not resulting from their own misconduct," approved May 22, 1928.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. I object.

Mr. BARTON. Will the gentleman reserve his objection?

Mr. LaGUARDIA. Certainly.

Mr. BARTON. This is an amendment to a statute approved by the Navy Department. It was passed by both Houses two years ago, and is approved by the Naval Affairs Committee. Under the law as it stands to-day the Navy Department determines the relationship of all dependent persons not named by the deceased soldier. The purpose of this act is to permit the Navy Department to determine the relationship, both of those designated by the deceased soldier and those not designated.

It seems very peculiar to say that when a soldier fails to designate, then the Navy Department can determine it, but if he does designate it, then it is to be determined by the Treasury Department. This bill would place the determination of both in the hands of the Navy Department.

Mr. LaGUARDIA. The anomaly the gentleman refers to is this: Congress had a great many discrepancies when it had no control over the construction or expenditure of public funds, when each department had its own comptroller audit its own expenditures. We have appointed an agency, a General Accounting Office, created the office of Comptroller General, and I for one shall resist any attempt to curtail his power or remove from his control any matter, no matter how trivial it may be. That is the proper auditing office of the United States Government, and there it should remain.

Mr. BARTON. Would the gentleman be willing to withdraw his objection to the bill if that feature of the bill were stricken out?

Mr. LaGUARDIA. That is the whole bill.

Mr. BARTON. Oh, no; there is some more.

Mr. LaGUARDIA. That is the real purpose of it.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. I object.

Mr. BALDRIGE. I object.

Mr. STAFFORD. I object.

MARINE CORPS RESERVE

The next business on the Consent Calendar was the bill (H. R. 5329) to amend section 24 of the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve," as amended by the act of March 2, 1929.

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. Mr. Speaker, I object.

Mr. STAFFORD. I object.

Mr. PATTERSON. I object.

ADMINISTRATION OF JUSTICE IN THE NAVY

The next business on the Consent Calendar was the bill (H. R. 5352) to provide for the better administration of justice in the Navy.

The SPEAKER pro tempore. Is there objection?

Mr. LaGUARDIA. Mr. Speaker, I object.

Mr. COLLINS. I object.

Mr. PATTERSON. I object.

WATER-RIGHT CHARGES ON FEDERAL IRRIGATION PROJECTS

The next business on the Consent Calendar was the bill (H. R. 11966) to amend section 14 of an act entitled, "An act to adjust water-right charges, to grant certain others relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249).

The SPEAKER pro tempore. Is there objection?

Mr. LA GUARDIA. Mr. Speaker, I reserve the right to object. Does this remit any existing liability?

Mr. BUTLER. Oh, no; it does not involve any expenditure of money. It does not reduce the obligation that the district owes to the Government to any extent whatever. It is administrative.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 4614) will be substituted.

There was no objection, and the Clerk read the Senate bill, as follows:

S. 4614

Be it enacted, etc., That an act entitled "An act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended by the act of April 23, 1930 (46 Stat. 249), be, and the same is hereby, further amended by adding after the subparagraph (a) in section 14 the following new subparagraph: "(a-1) The Secretary of the Interior is hereby authorized to reclassify all lands within the Klamath irrigation district and to place in the temporarily unproductive class such lands as he determines are properly subject to this classification."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

CAMP SITES AND RIFLE RANGES, SOUTH DAKOTA

The next business on the Consent Calendar was the bill (H. R. 487) to authorize an appropriation for the purchase of land in South Dakota for use as camp sites for rifle ranges for the National Guard of said State.

The SPEAKER pro tempore. Is there objection?

Mr. LA GUARDIA. Mr. Speaker, I reserve the right to object. It seems to me under the Williamson plan of re-trenchment, this is hardly the time to authorize additional expenditures, particularly so when my own State furnishes the rifle ranges and the armory and the field. I do not believe we ought to embark on any new policy.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. WILLIAMSON. In 1903 Congress appropriated approximately \$2,000,000 for the purpose of purchasing camp sites and rifle ranges in various States of the Union. Under that act allocation was made to South Dakota in the sum of \$15,704.75. New York doubtless got its share, and presumably still has it.

Mr. LA GUARDIA. That was in 1926?

Mr. WILLIAMSON. No; in 1903. The camp site and rifle range was acquired in 1906 and 1908. Under the national defense act of 1916 the Congress provided that in cases where camp sites were sold the money should be placed to the credit of the State where the site was located so that the State would not lose the fund allocated to it under the act of 1903. In 1918 Congress inserted a provision in the Army appropriation bill authorizing the Government in certain cases to sell camp sites. The camp site purchased at Watertown, S. Dak., while suitable at the time it was purchased for a camp site and rifle range, became undesirable because of the gradual encroachment of settlement and construction, making it dangerous to use it as a rifle range. For that reason the camp site was sold and the money was placed in the Treasury to the credit of the fund "Arming, equipping, and training the National Guard," instead of "to the credit of the State (South Dakota)," as contemplated by the national defense act (act of June 3, 1916).

Mr. LA GUARDIA. That is \$5,876?

Mr. WILLIAMSON. There were two sales. The total sum amounts to \$13,267, upon which there was accrued interest

in the sum of \$412.78, making a total now in the Treasury of \$13,680.58. The fact is that this should have been placed to the credit of South Dakota. The National Guard has not been able to get the site it wanted until this winter, or the return of this money would have been asked for long ago.

Mr. LA GUARDIA. They say the only reason it is not available to the State is the deposit was not made for that purpose, but the deposit was made for the general purpose of arming, equipping, and training the National Guard.

Mr. WILLIAMSON. It was wrongfully made, because the act of 1916 provided that it should be placed to the credit of the State.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. STAFFORD. What impressed the subcommittee of the Committee on Military Affairs, which reported this bill to the full committee, was the fact that here were funds that rightfully belonged originally to the State of South Dakota that had been transferred to the Treasury.

Mr. LA GUARDIA. It was allocated originally to the State. It did not belong to the State.

Mr. WILLIAMSON. They could not agree upon a camp site, and at the end of the 3-year period it automatically went into the general fund, and we can not get it out without authorization. I may say in this connection that a bill identical with this bill has already passed the Senate. A similar bill passed the Senate in the Seventy-first Congress, but too late to get action in the House.

Mr. COLLINS. Mr. Speaker, I think we had better wait until next year when conditions are better, and therefore I will object.

Mr. WILLIAMSON. Will not the gentleman reserve his objection for just a moment and let me explain the situation?

Mr. COLLINS. I will reserve it.

Mr. WILLIAMSON. In an effort to secure the site desired by the National Guard we have already secured the passage of an act at this session of Congress under which the Government has arranged to purchase the necessary lands. In order to complete the transfer, which has been authorized by the Congress, we must have the funds provided for in this bill.

Mr. COLLINS. I appreciate the necessity of a rifle range, but I think we can very well wait until next year. I object.

Mr. WILLIAMSON. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. The bill does not go off the Consent Calendar.

BOUNDARY LINES, CHIPPEWA INDIAN TERRITORY

The Clerk called the next bill, H. R. 12329, to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That on and after the passage of this act the territory in Minnesota to be considered as Indian-treaty territory under provisions of article 7 of the treaty of February 22, 1855 (10 Stat. L. 1165-1169), between the United States and the Mississippi Bands of Chippewa Indians shall be reduced to the territory within the boundaries described as follows:

Beginning at the intersection of the range line common to ranges 32 and 33 west, with the common county line of Beltrami and Hubbard Counties of the State of Minnesota. From thence, bearing north following and on said range line to the northwest corner of township 148 north, range 32 west; thence angling to the right on to the north bounds of said township and bearing east on said bounds to the northeast corner thereof; thence continuing east on the said north bounds of said township 148 north, across ranges 31 and 30 west to the county line of Beltrami and Itasca Counties; thence north on said county line to the southwest corner of Koochiching County; thence east on the south bounds of Koochiching County to the corrected range line as between ranges numbered 25 on the west and 27 on the east side thereof; thence north on the last-described range line to the northwest corner of township 66 north of the aforesaid range 27; thence east on the north bounds of said township across ranges numbered 27, 26, 25, 24, 23, 22, 21, 20, 19, and part of 18 to the point of intersection of said line with the Vermillion River; thence angling to the right on to a right line that will intersect the south boundary line of township 63 north, range 19 west. This point of intersection is equidistant from the south-

east corner of said township 63 and the center of the railroad track of the Duluth, Winnipeg & Pacific Railroad, as measured on and along the said south bounds of said township; thence west on and along the said south bounds of township 63, crossing part of range 19 and the whole of ranges 20 and 21, to the southeast corner of Koochiching County; thence continuing west on the south bounds of said county to its intersection with the common line as between ranges 25 and 26 bearing north into Koochiching County and south into Itasca County; thence south on to the south range line, being also the west bounds of townships 56, 57, 58, 59, 60, 61, and 62 north of range 25 as in Itasca County to the southeast corner of township 56 north, range 26; thence west on to and following the south bounds of said township to its intersection with the corrected range line common to range 25 on the west side and range 27 on the east side thereof; thence angling to the left on to and following the said range line south, from this point being the common division line as between, in part, Itasca and Aitkin Counties, to the southeast corner of township 139 north, range 25 west; thence west on and along the south bounds of said township in range 25 west, crossing ranges 25, 26, 27, 28, 29, 30, and 31 to the southeast corner of Hubbard County; thence north on the east bounds of Hubbard County to the northeast corner of township 140 north, range 32 west; thence west on and along the north bounds of township 140, ranges 32, 33, 34, and 35 to the northwest corner of said township 140 north, range 35 west, as located on county line as between Hubbard and Becker Counties; thence south on the west boundary line of Hubbard County to the northwest corner of township 139 north, range 35 west; being also the northeast corner of township 139 north, range 36 west, as in Becker County; thence west on the north bounds of said township 139 north as said north bounds crosses ranges 36 to 43, both inclusive, to a point where said north bounds intersects with the common line as between Becker and Clay Counties; thence north on and along the west bounds of said Becker County to the north bounds thereof; thence continuing north on and following the range line of ranges 43 and 44 west as it is located between the townships 143 to 146 north in Norman County to the north bounds of the said Norman County; thence east following and along the north bounds of Norman County to the northeast corner thereof, being also the northwest corner of Mahanomen County; thence continuing east following and on the north bounds of Mahanomen County to the northeast corner thereof; thence continuing east following and along the north bounds of township 146 north, range 38 west, in Clearwater County to the northeast corner thereof; thence south following and along the east bounds of said township to the southeast corner thereof; thence east following and along the south bounds of township 146 north, ranges 37 and 36 west, to the intersection of said south bounds with the west bounds of Beltrami County; thence continuing east following and along the common boundary line as between said Beltrami and Hubbard Counties to the place of beginning.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

TO AMEND SECTIONS 328 AND 329 OF UNITED STATES CRIMINAL CODE OF 1910, ETC.

The Clerk called the next bill, H. R. 11595, to amend sections 328 and 329 of the United States Criminal Code of 1910 and sections 548 and 549 of the United States Code of 1926.

Mr. BLACK. Reserving the right to object, what is this all about?

Mr. KNUTSON. Mr. Speaker, this legislation was introduced by the chairman of the committee, Mr. HOWARD, of Nebraska, at the request of the Indian Bureau. The law as it now stands will not permit Indian officials to punish adequately major violations of the law on Indian reservations. Under the present law they can only give 90 days for offenses against the person.

Mr. LA GUARDIA. Reserving the right to object, this is a bill that is highly penal, and it seems to me it should have gone to the Committee on the Judiciary, even though it deals exclusively with Indians.

Mr. KNUTSON. But it is always customary to refer a bill to a committee which has exclusive jurisdiction. The Committee on the Judiciary could hardly legislate for an Indian reservation.

Mr. LA GUARDIA. Why not?

Mr. KNUTSON. While I have the highest regard for the ability of the Committee on the Judiciary and its membership, they could not legislate for an Indian reservation. I admit there are some Indians on the Committee on the Judiciary.

Mr. STAFFORD. As the members of the Committee on Indian Affairs will testify, originally it was the policy not to have the National Government take jurisdiction over

any crimes on Indian reservations. Then they increased that jurisdiction gradually to confer jurisdiction in certain cases. This bill merely extends jurisdiction to the following crimes: Incest, carnal knowledge, and assault with intent to rape. I have read the report very carefully, and I think this added jurisdiction should be conferred for the purpose of conferring jurisdiction on the United States courts in these cases of sexual crimes.

Mr. LA GUARDIA. On the part of Indians?

Mr. KNUTSON. Yes. They can not handle it as it is.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 4511) will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 328 of the United States Criminal Code of 1910 and section 548 of title 18 of the United States Code of 1926 are hereby amended to read as follows:

"All Indians committing against the person or property of another Indian or other person any of the following crimes, namely, murder, manslaughter, rape, incest, assault with intent to kill, assault with a dangerous weapon, arson, burglary, robbery, and larceny on and within any Indian reservation under the jurisdiction of the United States Government, including rights of way running through the reservation, shall be subject to the same laws, tried in the same courts, and in the same manner, and be subject to the same penalties as are all other persons committing any of the above crimes within the exclusive jurisdiction of the United States: *Provided*, That any Indian who commits the crime of rape upon any female Indian within the limits of any Indian reservation shall be imprisoned at the discretion of the court: *Provided further*, That as herein used the offense rape shall be defined in accordance with the laws of the State in which the offense was committed.

"The foregoing shall extend to prosecutions of Indians in South Dakota under section 329 of the United States Criminal Code of 1910 and section 549 of title 18 of the United States Code of 1926."

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

BRIDGE ACROSS MISSISSIPPI RIVER BETWEEN CHEROKEE AND OSAGE STREETS, ST. LOUIS, MO.

The Clerk called the next bill, H. R. 9265, to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.

The SPEAKER pro tempore. Is there objection?

Mr. LA GUARDIA and Mr. PATTERSON objected.

TOLL BRIDGE ACROSS EAST BRANCH OF NIAGARA RIVER NEAR TONAWANDA, N. Y.

The Clerk called the next bill, H. R. 12077, granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 4778) will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by act of Congress approved June 17, 1930, to be built by the Niagara Frontier Bridge Commission, a State commission, created by act of the Legislature of the State of New York, chapter 594 of the laws of 1929, across the east branch of the Niagara River, from the town of Tonawanda, about midway between the southerly city limits of the city of Tonawanda and the northerly city limits of the city of Buffalo, to Grand Island, in the county of Erie and State of New York, are hereby extended two and five years, respectively, from June 17, 1932.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. GOSS. Mr. Speaker, I move to strike out the last word for the purpose of making an inquiry. I notice there are two bills, Calendar Nos. 365 and 366, which seem to be

on the same subject matter. I would like to have somebody explain the difference between them, or why a pair of bridges is needed.

Mr. BLACK. They are two different cities.

Mr. GOSS. Niagara Falls and Tonawanda are both the same, are they not?

Mr. LaGUARDIA. No.

Mr. STAFFORD. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. STAFFORD. The so-called Peace Bridge connects Tonawanda with the opposite shore. I believe that is a toll bridge.

Mr. REED of New York. The Peace Bridge is farther up the river. It is way up above Tonawanda.

Mr. STAFFORD. The gentleman says "way up."

Mr. REED of New York. Yes. The Peace Bridge is from Buffalo across. Tonawanda is below Buffalo, toward Niagara Falls.

Mr. STAFFORD. Let me get my geography right. When I cross the Niagara River from Canada at Black Rock, I can see to the south the Peace Bridge; and when I get across on the American side, that is Tonawanda.

Mr. REED of New York. Oh, no.

Mr. STAFFORD. What is it, then?

Mr. REED of New York. The gentleman is mixed in his geography.

Mr. STAFFORD. I have a pretty good acquaintance with the geography around Black Rock and around Niagara Falls, United States, and Niagara Falls, Canada; and I know where Tonawanda is.

Mr. REED of New York. I know, but I live right in that section. The Niagara River runs practically north and south. Right at Buffalo the Peace Bridge goes straight across into Canada. Then you go down the river for miles before you get to Tonawanda. Tonawanda is quite a large city. There are two Tonawandas, there is North Tonawanda and South Tonawanda.

This bridge is to accommodate them. They are thriving industrial communities and not to give them this convenience is bound to impair their business efficiency in every way.

Mr. GOSS. How far apart are Buffalo and Tonawanda?

Mr. REED of New York. Ten miles.

Mr. STAFFORD. Does the gentleman mean to say there is much business activity on the other side of the river?

Mr. REED of New York. On the Canadian side?

Mr. STAFFORD. Yes.

Mr. REED of New York. There is a good deal of activity on both sides.

Mr. STAFFORD. At Bridgeburg and Niagara Falls, Ontario?

Mr. REED of New York. Yes; there is, with the great hydroelectrical development there.

Mr. STAFFORD. I think I know more about the conditions at those places than my friend, the gentleman from New York.

Mr. REED of New York. Oh, no. I live there.

Mr. STAFFORD. I can not conceive of any reason why we should have a bridge at Tonawanda and another at Niagara Falls.

However, I do not intend to press the matter further.

Mr. GOSS. Mr. Speaker, I ask unanimous consent to withdraw my pro forma amendment.

The SPEAKER pro tempore. Without objection the pro forma amendment will be withdrawn.

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

BRIDGE ACROSS NIAGARA RIVER NEAR NIAGARA FALLS, N. Y.

The Clerk called the next bill, H. R. 12078, granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Niagara Frontier Bridge Commission, a State commission created by act of the Legislature of the State of New York, chapter 594 of the Laws of 1929, its successors and assigns, to construct, maintain, and operate a toll bridge and approaches thereto across the east branch of the Niagara River, at a point suitable to the interests of navigation, from the city of Niagara Falls, in the county of Niagara and State of New York, at a point east of Evershed Avenue in said city of Niagara Falls, to Grand Island, in the county of Erie and State of New York, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That this act shall be null and void unless the construction of said bridge is commenced within two years and completed within five years from the date of approval hereof.

SEC. 3. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and opened free of tolls; or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 4. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the times for commencing and completing the construction of a bridge authorized by act of Congress approved June 17, 1930, to be built by the Niagara Frontier Bridge Commission, a State commission created by act of the Legislature of the State of New York, chapter 594 of the Laws of 1929, across the east branch of the Niagara River, from the city of Niagara Falls, in the county of Niagara and State of New York, at a point east of Evershed Avenue in said city of Niagara Falls, to Grand Island, in the county of Erie and State of New York, are hereby extended two and five years, respectively, from June 17, 1932.

"SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended.

BRIDGE ACROSS OHIO RIVER

The Clerk called the next bill, H. R. 12243, to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Wellsburg, W. Va.

Mr. LaGUARDIA. Mr. Speaker, I object.

Mr. BACHMANN. Will the gentleman reserve his objection?

Mr. LaGUARDIA. I reserve it.

Mr. BACHMANN. I wish the gentleman would enlighten me as to his objection to this bill.

Mr. LaGUARDIA. I believe in supporting our administration. I believe we ought to give all the moral support we can to our administration, Mr. Speaker. I am for standing by the administration, and when the Department of Agriculture says—

The department, therefore, recommends against enactment of the pending bill—

I am going to uphold the hands of the President and the hands of the Secretary of Agriculture. [Applause.]

Mr. BACHMANN. If the gentleman will permit, he remembers we passed an act in the last Congress giving the West Virginia Bridge Commission certain powers of inspecting bridges in West Virginia. I have not introduced a bill since that act was passed without submitting it to the West Virginia Bridge Commission and obtaining its approval. In this particular instance they have already started and com-

pleted one of the abutments of this bridge at Wellsburg, W. Va.

Mr. LA GUARDIA. Oh, no.

Mr. BACHMANN. I direct the gentleman's attention to the report.

Mr. LA GUARDIA. It says:

More than four years have already elapsed since the original franchise was granted for the construction of this bridge by private enterprise, and apparently those to whom the authorization was granted have been and are unable to arrange for the construction of the bridge. It, therefore, is not believed that they are entitled to any further extension of time. Furthermore, it would seem inadvisable to further tie up this proposed bridge location by extending the life of the private franchise, as the State bridge commission may at some date in the near future decide to proceed.

Mr. BACHMANN. We are not far apart and that is just what I am coming to. If the gentleman will look at the report on page 1, the last paragraph, he will see this wording:

In addition to the expenditure made at the time the franchise was taken over by them, they have built one of the abutments on the West Virginia side in strict accordance with the plans and specifications. In making these statements the writer has been in close touch with the bridge company at all times and is speaking advisedly.

Mr. LA GUARDIA. Who is Mr. Thomas J. Reid?

Mr. BACHMANN. Mr. Reid is one of the prominent citizens of Wellsburg, who went before the city council, at my request, and secured the approval of the city council before I introduced this bill and then took it up with the bridge commission. I have taken the letter from the bridge commission and given it to the Senator in charge of the same bill in the Senate and that letter is there now, and the West Virginia Bridge Commission approves the extension of this particular bridge. There is no question about any holdup or making the State of West Virginia pay any sum for this franchise that is not reasonable and right. The matter has the approval of the town council, has the approval of the West Virginia Bridge Commission, and they have made this expenditure. We are only asking for this one because the bridge commission says that if they do not do the work they will never come back and I would not introduce a bill.

Mr. LA GUARDIA. I do not think they will ever come back, and I object.

BRIDGE ACROSS THE MISSISSIPPI RIVER

The Clerk called the next bill, H. R. 12316, to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Helena, Ark.

Mr. PATTERSON. Mr. Speaker, I object.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Will the gentleman withhold that for a moment?

Mr. STAFFORD. I withhold it.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3847. An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings.

ORDER OF BUSINESS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business in order to-morrow be dispensed with.

The SPEAKER pro tempore. Is there objection?

Mr. SABATH. Mr. Speaker, reserving the right to object, there is on the calendar the so-called copyright bill. In what shape will that be?

Mr. O'CONNOR. As to the copyright bill, I have letters from two physicians stating that the chairman of the committee, Doctor SIROVICH, is in the hospital in New York and will be there for a few weeks.

Mr. SABATH. So he will not lose his rights.

Mr. O'CONNOR. He will not lose his rights, but will have his day to bring up that bill.

Mr. PATTERSON. Mr. Speaker, I feel I shall have to object.

Mr. BLACK. The chairman of the committee got in touch with me to-day and he asked that this request be made, that Calendar Wednesday business in order to-morrow be dispensed with.

Mr. PATTERSON. If it is the wish of the chairman of the committee, I have no objection.

Mr. CHINDBLOM. Mr. Speaker, as many Members of the House know, a great deal of interest has been manifested in an amendment to the copyright bill which has been placed in my hands. I think, perhaps, the Members will be interested in knowing that the persons and parties who are interested in this amendment are willing that this order shall be made at this time, because they realize the copyright bill could not properly be considered without the presence of the chairman of the committee, Doctor SIROVICH.

In this connection, Mr. Speaker, I beg leave to say to the membership of the House that the amendment in question will be found in the bill (H. R. 12425), relating to copyrights, introduced by the gentleman from New York, Doctor SIROVICH, on June 2, 1932, at page 10, beginning in line 8. It is purposed to offer the amendment in the form in which it appears there broadened, perhaps, so as to also include mechanical reproductions.

Mr. LA GUARDIA. Is that the bill that is on the calendar?

Mr. CHINDBLOM. No; this is not the bill that is on the calendar. This is the bill introduced by the gentleman from New York and the number is H. R. 12425.

For the information of the Members of the House, from many of whom I have received inquiries on the subject, I here insert the amendment which I intend to offer to the copyright bill when it receives consideration by the House:

If, in any suit for infringement for the unauthorized broadcasting or mechanical reproduction of any copyright musical work or works, it shall appear that the suit is brought by or in behalf of any association, society, corporation, or combination which deals with or in the issue or grant of licenses for the broadcasting or mechanical reproduction of such works and which exercises in the United States a substantial control of the performing, broadcasting, or mechanical reproduction rights in such works or in any class thereof, recovery shall be limited to an amount which will justly compensate the plaintiff for the use made of such work or works and shall in no event exceed the amount of a reasonable fee for a license which, under similar circumstances, would have authorized the infringing act or acts complained of. In determining the amount of such just compensation or of such reasonable license fee the prices currently paid for similar rights under similar circumstances shall be considered. Upon payment of a reasonable license fee, as found by the court, the infringer shall, in the discretion of the court, be entitled to continue the infringing acts complained of, upon such terms, and for such reasonable license period, as the court shall deem just. No injunction shall issue in respect to any works other than those proved to have been infringed.

Mr. PATTERSON. Mr. Speaker, further reserving the right to object, the only reason I withdraw my objection is because it is the wish of our chairman. This is very important legislation, and I would otherwise object.

The SPEAKER pro tempore (Mr. RAINEY). Is there objection to the request of the gentleman from New York [Mr. O'CONNOR]?

There was no objection.

THE PRIVATE CALENDAR

Mr. BANKHEAD. Mr. Speaker, at the request of the majority leader now occupying the chair I submit the following unanimous-consent request:

That on to-morrow it may be in order to consider unobjected-to bills on the Private Calendar in the House as in Committee of the Whole, the call to begin where the last call ended, under the old rule.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that it may be in order on to-morrow to consider unobjected-to bills on the Private Calendar in the House as in Committee of the Whole, the call to begin where the last call ended, under the old rule.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, under the old rule, when the Private Calendar was last considered, I asked that there be passed over the last bill, calendar No. 393, a bill introduced by the gentleman from Ohio [Mr. SEIBERLING], who was then in the hospital with a broken shoulder. The gentleman from Ohio came to me a little while ago and asked me if we would consider his bill at the next call. If the star were printed one space above, his bill would be the first one to be considered.

Mr. BANKHEAD. I am willing for the gentleman to submit that request, under the circumstances.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, is the request that we proceed under the old rule?

Mr. BANKHEAD. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama (Mr. BANKHEAD)?

There was no objection.

Mr. EATON of Colorado. Mr. Speaker, I ask unanimous consent that in the consideration of bills on the private calendar to-morrow we commence with calendar number 393, the bill (H. R. 5289) for the relief of Samuel Puff Bailey.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENSION OF REMARKS—SHORT SELLING

Mr. SABATH. Mr. Speaker, two and a half years ago, in October, 1929, I called the attention of the American people to the most stupendous racket in our country, namely, that connected with the New York Stock Exchange. On December 7, 1929, I introduced a bill to put a stop to the operation of short selling, and on December 9, on the floor of this House, condemned and scored these criminal activities that are responsible for closing the doors of banks and businesses, throwing millions of wage earners out of employment, pauperizing 20,000,000 people, and causing thousands of suicides.

Ever since then I have appealed to President Hoover and to the governors of the stock exchanges to take action against these activities, and have tried to secure legislation to stop this wholesale racketeering, but unfortunately neither the President nor the governors of the stock exchanges have acted in compliance with my appeals, nor have I secured any consideration for my bills to prohibit short selling.

During this session I was granted a hearing finally on my bills, but due to the illness of the chairman of the Judiciary Subcommittee [Mr. TUCKER], no action has been taken aside from hearings extending over a period of a few days.

The gentlemen on the other side of the Capitol have begun investigating instead of acting—this, I am informed, for the purpose of delaying action. Although the chairman of the Senate Banking and Currency Committee [Mr. NORBECK] is well intentioned, I am satisfied that the board of strategy of the Republican leaders are endeavoring to use the investigation for political purposes.

That this is a fact can not be honestly denied. For it is clearly evident that, notwithstanding that 95 per cent of the largest, most active, and outstanding manipulators are Republicans and among the largest contributors to the Republican campaigns, the committee is devoting most of its time and publicity to one or two Democrats who, they say, were members of stock pools in 1929.

What the country now demands is the immediate prohibition of the dishonest, destructive, yes, criminal, activities of the outstanding bear raiders and market manipulators, against whom the President refused to take and is still refusing to take any action whatsoever. I believe that it is necessary, therefore, for the country to have all of the available information in regard to stock manipulations and stock inflation from 1927 to 1929.

I realize the great power and influence of these financiers who are endeavoring to forestall congressional regulation, but is it possible that in addition to controlling the President they also control Congress? They have stated repeatedly that short selling is absolutely essential to an orderly market; yet without apparent regard for their contention, they have issued several restrictive rules affecting it. On

May 20, for the fifth time, the exchange issued a rule restricting short selling by making it necessary to put up a 10-point margin on all short sales. This will no more restrict short selling than the "April fool" rule. If it be necessary to have short selling in order to preserve a fair and orderly market, why have they adopted these rules? It is clear that the exchange is hiding behind these subterfuges to prevent congressional legislation.

If the exchange officials were not so greedy, they would have prohibited short selling long ago, for in all instances where short selling was prohibited the downward movement of security prices was immediately arrested. I repeat, you can not restore confidence and legitimate business until you stop these criminal manipulations. The evidence which disclosed the operations of the Radio and Warner Bros. pools and the few millions of dollars these pools made is a joke in comparison with some of the real profits and the destruction brought about by the real bear operators.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until to-morrow, Wednesday, June 22, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

618. A letter from the Secretary of War, transmitting a report dated June 18, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Upper Thoroughfare, Deals Island, Md.; to the Committee on Rivers and Harbors.

619. A letter from the Secretary of War, transmitting a report dated June 18, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Ocean City Harbor and Inlet and Sinepuxent Bay, Md.; to the Committee on Rivers and Harbors.

620. A letter from the Secretary of War, transmitting a draft of legislation to authorize an additional appropriation of \$6,400 necessary to accomplish the acquisition of land in the vicinity of Camp Bullis, Tex.; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 202. A resolution that there shall be paid, out of the contingent fund of the House, not to exceed \$25,000 for the expenses of the select committee appointed under House Resolution 201 to investigate campaign expenditures of the various candidates for the House of Representatives (Rept. No. 1679). Ordered to be printed.

Mr. WARREN: Committee on Accounts. House Resolution 271. A resolution relative to expenses of conducting investigation authorized by House Resolution 235 (Rept. No. 1680). Ordered to be printed.

Mr. CONNERY: Committee on Labor. House Joint Resolution 422. A joint resolution to provide for a survey to determine the amount of surplus cloth held by the Government, and to provide for the free distribution of such surplus to unemployed people of the United States; with amendment (Rept. No. 1681). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. House Joint Resolution 434. A joint resolution to authorize and direct the Secretary of Agriculture to provide additional facilities for the classification of cotton under the United States cotton standards act, and for the dissemination of market news information; without amendment (Rept. No. 1682). Referred to the Committee of the Whole House on the state of the Union.

Mr. PEAVEY: Committee on Indian Affairs. H. R. 11297. A bill for the relief of the Winnebago Indians residing in

school district No. 17, Thurston County, State of Nebraska; without amendment (Rept. No. 1683). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H. R. 12359. A bill to authorize the acceptance of relinquishments by the State of Arizona and the city of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association; without amendment (Rept. No. 1687). Referred to the Committee of the Whole House on the state of the Union.

Mr. NORTON: Committee on Agriculture. H. R. 12733. A bill to secure cost of production to producers of agricultural commodities, and for other purposes; without amendment (Rept. No. 1688). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ROGERS: Committee on Military Affairs. H. R. 2735. A bill for the relief of Timothy J. Devine; with amendment (Rept. No. 1684). Referred to the Committee of the Whole House.

Mr. CHIPERFIELD: Committee on Military Affairs. H. R. 2753. A bill for the relief of John H. D. Wherland, alias Henry Lowell; without amendment (Rept. No. 1685). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 7605. A bill for the relief of Samuel C. Simpkins; with amendment (Rept. No. 1686). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRAIL: A bill (H. R. 12738) to prohibit discrimination on account of race or color in employment under contracts for public buildings or public works of the United States; to the Committee on Labor.

By Mr. RAYBURN: A bill (H. R. 12739) to regulate the transportation of passengers and property in interstate and foreign commerce by motor carriers operating on the public highways, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McREYNOLDS: A bill (H. R. 12740) authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12741) authorizing an appropriation for payment to the Government of China for the account of certain Chinese citizens; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12742) authorizing an appropriation for payment to the Government of the Dominican Republic for the account of Mercedes Martinez Viuda de Sanchez, a Dominican subject; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12743) authorizing an appropriation for payment to the Government of Canada for the account of Janet Hardcastle Ross, a citizen of Canada; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12744) authorizing an appropriation for payment to the Government of Nicaragua for the account of Raimunda Valladares de Calderon, a citizen of Nicaragua; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12745) authorizing an appropriation for payment to the Government of Great Britain for the account of N. J. Moosa, a British subject; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12746) authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12747) authorizing an appropriation for payment to the Government of China for the account of

Ling Mau Mau, a citizen of China; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12748) authorizing an appropriation for the payment to the Government of Nicaragua for the account of Salvador Buitrago Diaz, a citizen of Nicaragua; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12749) authorizing an appropriation for payment to the Government of Great Britain for the account of the Shanghai Electric Construction Co. (Ltd.); to the Committee on Foreign Affairs.

Also, a bill (H. R. 12750) authorizing an appropriation for payment to the Government of Nicaragua for the account of Benjamin Gonzales, a citizen of Nicaragua; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12751) authorizing an appropriation for payment to the Government of Chile for the account of Enriqueta Koch v. de Jeanneret, a citizen of Chile; to the Committee on Foreign Affairs.

Also, a bill (H. R. 12752) authorizing an appropriation for payment to the French Government for the account of Henry Borday, a citizen of France; to the Committee on Foreign Affairs.

By Mr. McKEOWN: A bill (H. R. 12753) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1889, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. NORTON: Resolution (H. Res. 272) for the consideration of H. R. 12733, a bill to secure cost of production to producers of agricultural commodities, and for other purposes; to the Committee on Rules.

By Mr. TARVER: Joint resolution (H. J. Res. 442) directing and authorizing the Postmaster General to have prepared and issued a postage stamp commemorating the services of the late Thomas E. Watson in the origination of the Rural Free Delivery Service; to the Committee on the Post Office and Post Roads.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the municipal government of Makati, Rizal, P. I., expressing thanks and sincere gratitude for the passage of the independence bill of the House of Representatives; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 12754) granting an increase of pension to Adaline Schlotterbeck; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H. R. 12755) granting a pension to Mary P. Hall; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 12756) for the relief of Harry Flanery; to the Committee on Military Affairs.

By Mr. JOHNSON of Missouri: A bill (H. R. 12757) to correct the military record of Ira J. Paxton; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H. R. 12758) granting an increase of pension to Ruma McLaughlin; to the Committee on Invalid Pensions.

By Mr. LAMBETH: A bill (H. R. 12759) granting a pension to Hope Carolina Davis; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 12760) granting a pension to Gus Brunner; to the Committee on Pensions.

Also, a bill (H. R. 12761) granting an increase of pension to Mary Clemons; to the Committee on Invalid Pensions.

By Mr. RUDD: A bill (H. R. 12762) for the relief of George French; to the Committee on Naval Affairs.

By Mr. SHREVE: A bill (H. R. 12763) granting an increase of pension to Martha Gage; to the Committee on Invalid Pensions.

By Mr. WHITTINGTON: A bill (H. R. 12764) for the relief of Robert D. Hutchinson; to the Committee on Military Affairs.

By Mr. WOLVERTON: A bill (H. R. 12765) granting an increase of pension to Isabelle T. Dubois; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 12766) granting an increase of pension to Amanda Struble; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8409. By Mr. BOYLAN: Letter from the Erickson Engineering Co. (Inc.), New York City, N. Y., favoring House bill 9921; to the Committee on Expenditures in the Executive Departments.

8410. Also, resolution adopted by the Intercoastal Lumber Shippers Association, New York, N. Y., opposing Senate bill 4491; to the Committee on Ways and Means.

8411. Also, resolution adopted by the Steuben Society of America, New York City, N. Y., opposing House bill 378, providing for a permanent court of international justice, etc.; to the Committee on Foreign Affairs.

8412. By Mr. CRAIL: Petition of William Eric Fowler, chairman Los Angeles County Republican Central Committee, urging that Congress amend the Wagner relief bill so that the Reconstruction Finance Corporation can lend money to persons and corporations holding contracts of States and municipalities for public improvements, as well as to the municipalities themselves for this purpose, and that such loans may be made for a period of 20 years; to the Committee on Banking and Currency.

8413. Also, petition of Howard W. Marsh, sr., proposing that the Reconstruction Finance Corporation be authorized to finance small business corporations; to the Committee on Ways and Means.

8414. By Mr. LINDSAY: Petition of Mark Graves, director of the budget, Albany, N. Y., urging support of the McCormick amendment to section 621 of the new revenue act; to the Committee on Ways and Means.

8415. Also, petition of S. J. Gellard, station WLTH, Voice of Brooklyn (Inc.), Brooklyn, N. Y., urging speedy action on passage of Sirovich copyright bill and Chindblom amendment; to the Committee on Patents.

8416. Also, petition of W. G. White, New York City, opposing increased governmental expenditures; to the Committee on Economy.

8417. Also, petition of American Manufacturing Co., Brooklyn, N. Y., favoring the reduction of governmental expenditures; to the Committee on Economy.

8418. By Mr. RUDD: Petition of New York Flour Club (Inc.), New York City, favoring the repeal of the agricultural marketing act and the eighteenth amendment, thereby aiding the farmer in marketing his surplus crops of grains, increase revenue, and give further employment to industry; to the Committee on the Judiciary.

8419. Also, petition of Mark Graves, director of the budget, State of New York, Albany, N. Y., favoring the McCormick amendment to section 621 of the new revenue act; to the Committee on Ways and Means.

8420. Also, petition of S. J. Cellard, station WLTH, Voice of Brooklyn, N. Y., favoring the passage of the Sirovich copyright bill; to the Committee on Patents.

8421. By Mr. YATES: Petition of T. J. Murray, 1030 Nineteenth Street; H. M. Farrel, 1300 Fifteenth Street; and other citizens, of Rock Island, Ill., urging reduction of Federal expenditures; to the Committee on Appropriations.

SENATE

WEDNESDAY, JUNE 22, 1932

(Legislative day of Wednesday, June 15, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Jones	Robinson, Ind.
Austin	Couzens	Kean	Sheppard
Bankhead	Davis	Kendrick	Shortridge
Barbour	Dickinson	King	Smoot
Barkley	Fess	La Follette	Stephens
Bingham	Fletcher	McGill	Thomas, Okla.
Black	Frazier	McKellar	Townsend
Blaire	George	McNary	Trammell
Borah	Glenn	Metcalf	Tydings
Bratton	Goldsborough	Moses	Vandenberg
Broussard	Hale	Norbeck	Wagner
Bulkeley	Harrison	Norris	Walcott
Bulow	Hastings	Nye	Walsh, Mass.
Byrnes	Hatfield	Oddie	Walsh, Mont.
Capper	Hawes	Patterson	Watson
Caraway	Hayden	Pittman	
Cohen	Hebert	Reed	
Connally	Johnson	Robinson, Ark.	

Mr. FESS. I desire to announce that the following-named Senators are detained in a meeting of the Committee on Claims: The Senator from Nebraska [Mr. HOWELL], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Oregon [Mr. STEIWER], the Senator from Kentucky [Mr. LOGAN], the Senator from Iowa [Mr. BROOKHART], and the Senator from Maine [Mr. WHITE].

The VICE PRESIDENT. Sixty-nine Senators having answered to their names, a quorum is present.

CONSTRUCTION OF HIGHWAY, UNITED STATES AND CANADA (S. DOC. NO. 121)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of State for the "Commission on Construction of Highway, United States and Canada, 1931 and 1932," which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

OGLALA BOARDING SCHOOL, PINE RIDGE RESERVATION, S. DAK. (S. DOC. NO. 122)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation in the amount of \$65,000 for the Department of the Interior, Bureau of Indian Affairs, fiscal years 1932 and 1933, for replacement and repair of buildings and equipment destroyed or damaged by cyclone at the Oglala Indian boarding school, Pine Ridge Reservation, S. Dak., which with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

LAW ENFORCEMENT IN THE TERRITORY OF HAWAII

The VICE PRESIDENT laid before the Senate the report of a joint committee of the Legislature of the Territory of Hawaii, and adopted by the legislature thereof, pertaining to a study made by the said joint committee of legislation introduced in the Senate in accordance with recommendations contained in a report submitted by the Attorney General (pursuant to S. Res. 134, requesting a report upon the administration and enforcement of the criminal law of the Territory of Hawaii and upon the desirability of changes in the organic law), and recommending, among other matters, the appointment of a congressional committee to make a complete investigation of the government of the Territory, the administration of civil affairs and criminal law, the advisability or inadvisability of making changes in the organic act, etc., which was referred to the Committee on Territories and Insular Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from the Consolidated Committee of Fourteen Russian National Organizations in California, San Francisco, Calif., remonstrating against the recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted at a meeting of the Committee for the Defense of Political Prisoners, Boston, Mass., relative to the case of Edith Berkman, alleged to be held a prisoner for many months in connec-